SPECIAL SECTION
Campaign law guide

California Journal

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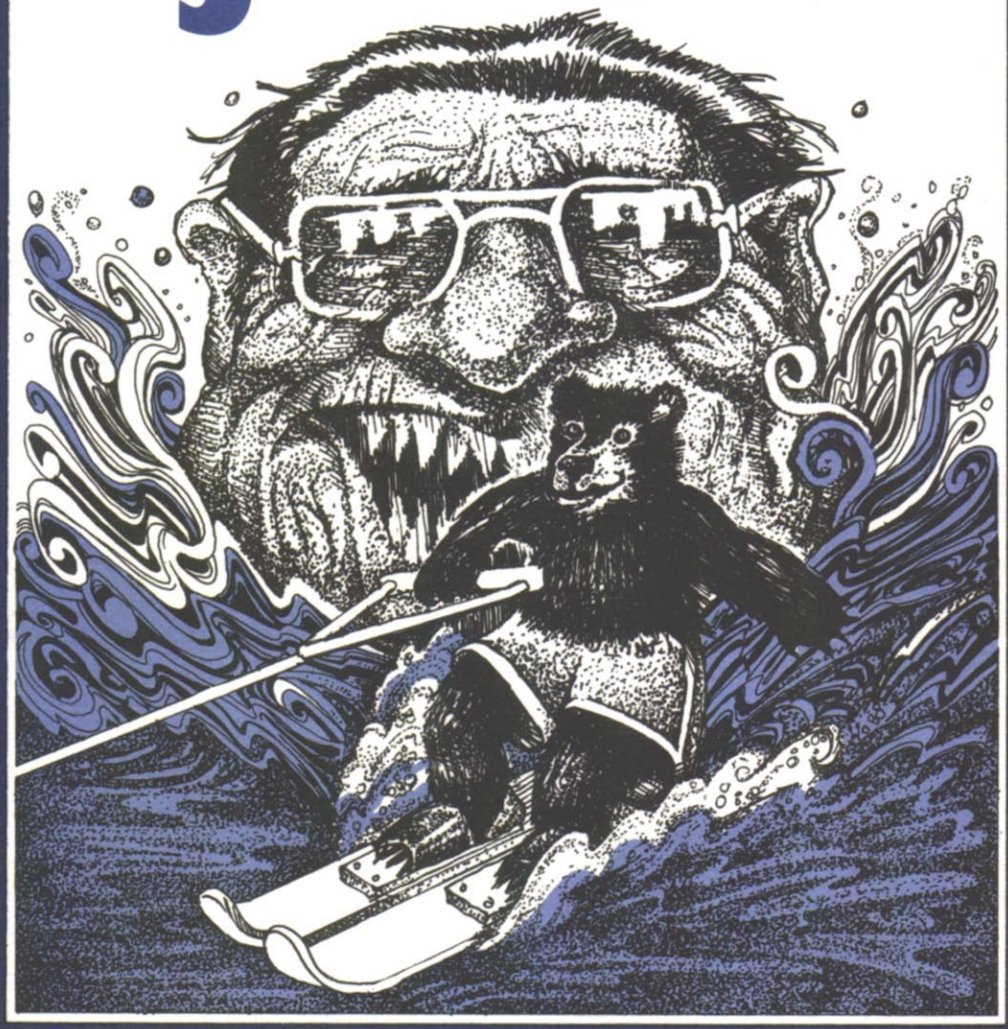
Who would get hurt under Howard Jarvis'

JAWS II



HOWARD JARVIS

BILL BUTCHER ARNOLD FORDE

HARVEY ENGLANDER

JAWS II

R | NO ONE UNDER 18 MAY VOTE

. . . May be too *intense* for anyone using state government or local services

AT VOTING BOOTHS EVERYWHERE JUNE 3rd.

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Personal PERSPECTIVE

By Ed Salzman

Don't blame the firefighters

Most people have a positive image of firefighters. They provide a vital service to the public, performing unpleasant and often dangerous tasks. They usually respond with a smile to calls for help from citizens even in minor distress. And they haven't been hurt by television shows like "Emergency."

That's why California firefighters probably will succeed in their campaign to lock into state law a prohibition against budgetary cutbacks that would affect themselves, police officers and emergency health services. Their initiative drive is being managed by the hotshot Butcher-Forde organization in Orange County and is expected to qualify for the November ballot.

Butcher-Forde is the campaign management firm that turned Howard Jarvis from a political pest into a national folk hero. Jarvis has already announced his support for the firefighters-police initiative — even though it would make it more difficult for local government to make ends meet should voters in June adopt Jarvis' income-tax-cut initiative.

If ever there was an element of government that needed deep budgetary scrutiny, it is fire protection. Look at the deal a firefighter gets: He (or she) works around the clock two or three days a week, depending upon how hours are scheduled, and gets the rest of the week off. All the duty time could be used for the benefit of the public — but isn't. Firefighters get extraordinary pension benefits and can retire quite young. A large percentage of firefighters moonlight.

Most important, firefighters have plenty of time to engage in political activities. They are extremely well organized. They walk precincts during elections. They lobby legislators and other elected officials. Often, their organizations are among the heaviest contributors to local political campaigns. It is considered a political death wish for an elected official to declare war on firefighter hours, benefits and working conditions. (E. Richard Barnes, a Republican assemblyman from San Diego, tried to fight firefighters and police on pension benefits years ago and was defeated, primarily because of the precinct-walking efforts of off-duty firefighters.)

The current initiative drive is a shrewd political maneuver. The firefighters apparently realized that Jaws II, as the new Jarvis tax-cut measure is called, might lead city councils into re-examining the status of firefighters. By starting the initiative drive, the firefighters may have effectively removed that option from budgetary consideration.

There are logical ways to make more efficient use of fire-department manpower. For example, why can't fire personnel be given additional assignments, like running computers, repairing vehicles, maintaining public records — almost anything that could be dropped when the fire-alarm rings? But that kind of program would be unthinkable to the firefighters because it would probably require that they work five-day weeks.

Who can blame the firefighters for seeking the best possible deal? They have been so successful that they now constitute a privileged class of public employees, and their initiative is designed to keep it that way.

Privately, public officials often bemoan the special status of firefighters. But they won't say the same things in public. And come election time, they welcome all the cash they can get from firefighter organizations.

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To Assembly Speaker pro Tem Jack Knox, the state Senate is the "cave of whims."

The attorney general's office in San Francisco has been using two kinds of stationery. One employs a rubber stamp to cover "Evelle Younger" and replace it with "George Deukmejian (pronounced Duke-may-gin)." The other is standard state letterhead with the new attorney general's name in large letters -- and "(pronounced Duke-may-gin)" in small type.

Some politicians just can't stop running for office. Former Congressman John Krebs of Fresno, defeated in a reelection try two years ago, now is a candidate for a judgeship.

Button distributed by Howard Berman backers at the Democratic state convention in San Francisco:

Eighty-two-year-old Herman Grabow, former lobbyist for the state Grange, is still working his magic with legislators. He has rounded up general support for a bill appropriating $1 million for development of a California Dairy Museum on the Wilder Ranch in Santa Cruz County.

Soundalikes: Congressman John Burton of San Francisco and Coach Larry Brown of the UCLA basketball team.

Privately, some engineers in the state Department of Water Resources aren't too sympathetic with the plight of farmers in the Sacramento-San Joaquin delta whose land was flooded this winter. Reasons: Some of the land is owned by foreigners. The cost of building levees will approach the value of the land. Farmers don't do as much as they can to preserve their delta tracts because they know that the government will rescue them in an emergency.

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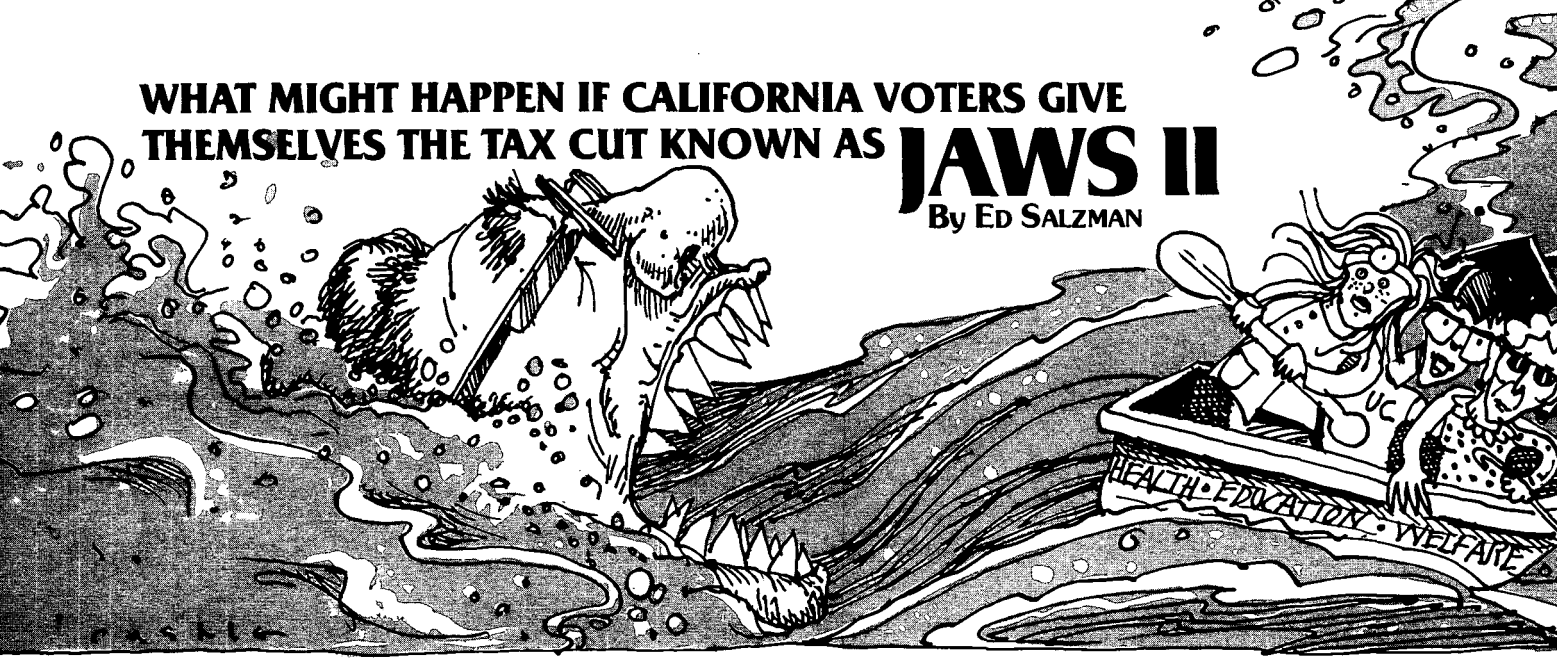
WHAT MIGHT HAPPEN IF CALIFORNIA VOTERS GIVE THEMSELVES THE TAX CUT KNOWN AS JAWS II

By Ed Salzman



What will happen if the jaws of Howard Jarvis slam shut on California government June 3rd? Will state and local government be able to survive round two of the tax-revolt onslaught, as it did two years ago, with only minor bruises? Or will the predictions of governmental-service atrocities made in the Proposition 13 campaign come true this time around?

This month Governor Brown is supposed to unveil his Jarvis II budget after ordering state agencies to show how they could reduce spending an arbitrary 30 percent. Committees of the Legislature probably will try to draft some other contingency plans based on the assumption that Jarvis' measure will be approved. These "what-if" preliminary budgets will become prime tools of the opponents of the Jarvis initiative, which would reduce state income some $5 billion in the fiscal years starting July 1st.

The problem of those trying to defeat Proposition 9 — known as Jaws II in political circles — is credibility. Can they convince voters that doomsday is coming when the same prediction made in the Proposition 13 campaign turned out to be a sham? In political circles, there is an underlying belief that the public will not buy the pleadings of elected officials, labor organizations and even business leaders — especially when they hear Howard Jarvis assure them that government can survive Jaws II without harming critical services. It will probably take an extraordinary selling job to prevent the voter from saying yes to the tax cut offered in the initiative.

The Jarvis proposal has three elements, but only one of them would have an immediate impact. The Legislature has already eliminated the tax on business inventories and has applied a cost-of-living (indexing) factor to the personal income tax. (The Jarvis measure would guarantee that the indexing would be permanent, however.) If the initiative is approved, the state income tax brackets would be cut in half, and tax experts estimate that the typical Californian would be the beneficiary of a 53.5 percent reduction in state income taxes because of the way the levy is calculated.

The zero surplus

In 1978, when Proposition 13 was adopted, the state had a huge surplus — one that developed primarily because of the effects of inflation and a healthy economy on income-tax collections. That surplus, plus modest cutbacks in services and a plethora of local service-charge increases, kept local government in business despite the loss of $7 billion in property-tax collections after Proposition 13. The Jaws II vote comes at precisely the time that the state surplus is dwindling down to zero. Even if the initiative fails, the state will not be able to maintain its bailout funding for local government beyond the 1980-81 fiscal year. That is because the state has been operating on budgets heavily in the red for two years while living off the surplus.

There is virtually no argument about the effect of Jaws II on state income. It will cost about $5 billion in the next fiscal year, and a bit more than $4 billion in the following year. Actually, Jarvis II may already be in effect. That's because the cut in income taxes will apply retroactively to last January 1st should the proposition be approved. Thus state and local government will have to absorb the loss from one-and-a-half fiscal years in a single budget starting July 1st.

While the state treasury would lose $5 billion from the income tax, the savings to the California taxpayer would be significantly less. The reason: The federal income tax would take about $1.5 billion more from Californians through a loss in claimable deductions. The federal government would also reduce revenue-sharing payments to the state, and the state could lose many more millions of federal dollars for specific programs, depending on what configurations the cutbacks take. Many state expenditures are matched dollar for dollar by Uncle Sam.

A 'what-if' budget

The Legislature could pass a "what-if" budget before June 3rd and show Californians exactly what would happen if they pass Jaws II. That is a 100-to-1 longshot. The Legislature has enough trouble getting a routine budget on the Governor's desk by July 1st, let alone one that is loaded with major political controversy. Even if a budget were approved before the election, there would be nothing to prevent subsequent revisions.

The state surplus made it relatively easy for lawmakers to reach agreement on a fiscal program two years ago. That will not be the case this June if the initiative passes. The competition for the public dollar will be more ferocious than ever, with supporters of public services fighting for their economic lives. Lawmakers will fight for their favorite constituent groups, and it may be extremely difficult for two-thirds of the Senate and Assembly to reach consensus in a short time.

How will the governor and the Legislature respond to the challenge of Jaws II? Look at the enormity of the task: The $5 billion loss represents 25 percent of the general-fund budget. It is the same amount that the state now provides all levels of local government in bailout funds. It is more than is now spent for *all* state operations — universities, prisons, the courts, the works.

During the coming months, many simplistic solutions are

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bound to be offered by those on both sides of the initiative battle. Here are some of them:

• *Levy new taxes.* Most legislators would consider this political suicide, especially if the levies were aimed at the general public. The problem is that the only tax that produces income by the billions is the sales tax. The state would have to double the bank and corporation tax to recoup the Jaws II loss, and that's hardly a realistic alternative. The state could double the "sin taxes" on cigarettes, alcoholic beverages and parimutuel wagering and still only raise 10 percent of the loss. The governor has suggested that nonconsumer taxes might be raised, but the proceeds will barely make a dent in the bundle needed to maintain the status quo.

• *Reduce all budgetary items a flat 30 percent.* Governor Brown issued his order in an effort to identify the softest spots in the budget, not because he felt that an across-the-board cutback would be feasible. Some agencies cannot absorb substantial cutbacks, while other agencies could be gutted or eliminated altogether. The answer to Jaws II cannot be found in state departments; it would have to come from local government, which gets 80 percent of the general fund budget.

• *Depend on the surplus, as before.* There are those who argue that the state has understated its reserves and has overestimated expenditures, in keeping with a traditional pattern. This may be true to a limited degree, but this won't come close to making up a gap of $5 billion. Howard Jarvis is already contending that the surplus will mushroom because of the increased state income from the deregulation of crude oil. It is true that the state will get a windfall from oil, but it hardly seems possible that the income will be in the billions for the next two or three years, at least. The state now estimates that the average income during the 1980s will be $600 million annually.

• *End the state bailout of local government.* That would solve the state's problem, all right. But it would destroy some elements of local government. The public schools would be put out of business. Some special districts could not survive. County health and welfare operations would practically be eliminated. Only the cities would pull through without crippling losses.

• *Simply cut the fat in government.* After the squeeze of Proposition 13, does anyone believe there is $5 billion in fat left? Perhaps so. But what is fat to one person is heart and soul to another.

• *Halt all capital-outlay programs.* The state spends relatively little on new buildings, and the total proposed in the 1980-81 budget for capital outlay is only about $300 million.

Wielding the scalpel

So there are no simple solutions. In order to come close to $5 billion, the governor and the Legislature must wield the scalpel at all levels of government and make incisions that threaten the life of the patients. While the formula might not be obvious, there are some facts that cannot be avoided: Local government will bear the bulk of the loss. There is no way to prevent major cutbacks in the health, education and welfare programs. Even programs that involve relatively few dollars will be affected. Here is a rundown on those who probably have the most to lose from the passage of Jaws II:

• ***Public employees.*** Despite inflation, pay raises will be eliminated, and there will be a sharp reduction of force in some agencies.

• ***Students (and parents).*** Because education takes so many state and local tax dollars, deep cuts in school budgets are unavoidable. Students in the University of California, the State College and University system and even the community colleges may have to pay substantially higher tuition and fees.

• ***Women and minorities.*** Because public employment will shrink, the big losers under the last-in, first-out principle will be women and minorities. Advancement opportunities will also be reduced.

• ***Welfare recipients.*** The state now spends $2.5 billion on welfare grants. These could be cut back, as could other social services. At the least, it should be expected that there will be no cost-of-living increases. The cutbacks could affect the aged, blind and disabled who receive state supplements to their federal grants.

• ***The health-care industry.*** It is obvious that one major target will be the skyrocketing Medi-Cal program, which pours $2.3 billion in state funds into the hands of doctors, hospitals and other health-care providers. Those 300,000 Californians rated as "medically indigent" — not on welfare but too poor to pay for their own health needs — may be especially vulnerable.

• ***Charitable organizations.*** The United Way and other organizations depending upon public contributions will be hurt two ways. With the reduction in governmental services, more people will come to them for help. And the reduction in the income tax rates will eliminate some incentive for individuals to contribute.

• ***"Soft programs."*** There will be heavy pressure to reduce spending for libraries, parks, recreation activities, rape centers and the like.

In establishing a Jaws II priority list, there are numerous issues of public policy that are bound to be discussed. In normal times, for example, it would be unthinkable to consider elimination of special funds that must be used exclusively for a predetermined purpose. The state's Highway Establishment would fight to the death against any move to merge the $1 billion highway fund into the general fund so that some gasoline-tax revenues might be used for health, education and welfare. Here are some other policy issues that might be considered at the state and local level:

• ***Pensions.*** Retirement benefits for public employees have become an enormous burden for local government. The passage of Jaws II could accelerate a switch to new plans, far less generous than the current benefits, for all new employees.

• ***Innovation in local government.*** Some agencies might try to consolidate departments, use some employees for more than one function, and even try the "hitch" system of hiring policeman and firefighters. (The "hitch" system was developed by John C. Houlihan, head of the Institute of

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The June proposition lineup

The Jarvis income-tax initiative has been designated as Proposition 9 on the June 3rd ballot by Secretary of State March Fong Eu. She also announced a list of 18 "recognized" presidential candidates who will be given places on the ballot.

The proposition list:

1 — A $495 million park and renewable-resources bond issue.

2 — A $750 million Cal-Vet home and farm loan bond issue.

3 — A proposed constitutional amendment designed to maintain the historical authenticity of the state Capitol.

4 — A proposed constitutional amendment eliminating the mandatory local vote for the approval of low-rent public housing projects.

5 — A proposed constitutional amendment giving news reporters a "shield" law.

6 — A proposed constitutional amendment establishing reapportionment guidelines.

7 — A proposed constitutional amendment allowing government agencies to clear debris from privately owned land under emergency conditions.

8 — A proposed constitutional amendment authorizing the sale of revenue bonds to finance alternative energy facilities.

9 — The initiative sponsored by Howard Jarvis to cut personal income taxes in half.

10 — An initiative authorizing the imposition of rent control only by vote of the people in a local community.

11 — An initiative levying a surtax amounting to 10 percent of profits on oil companies.

In addition, the secretary of state designated as ***Proposition 12*** an initiative proposal to bar the Republican Party's winner-take-all presidential primary. Whether the plan is placed on the ballot will hinge on final checking of signatures on petitions submitted by the sponsors.

Presidential candidates given places on the ballot: Democrats: Jimmy Carter, Edward Kennedy, Jerry Brown and Lyndon LaRouche; Republicans: Ronald Reagan, John Anderson, Howard Baker, George Bush, John Connally, Philip Crane and Robert Dole; Libertarian Ed Clark; American Independent contenders: Sean Morton Downey Jr. and John Rarick; Peace and Freedom candidates: Barry Commoner, Deidre Griswald, Gus Hall and Benjamin Spock.

Local Self-Government, as a means of reducing fringe benefits to public employees. Under this proposal, the worker is guaranteed a job only for the length of the hitch.)

• ***Local government.*** Cities can be expected to lose almost all state assistance because they can be reasonably self-sufficient with income from other sources. Counties serve as agents of the state in the health and welfare field, and they may feel intense pressure to provide the same services with much less money. Some special districts could be crippled.

A state of emergency?

Some of the solutions that might be attempted — such as reductions in pension benefits for public employees — are not available because of legal restrictions. There are also constitutional requirements, federal regulations and a myriad of state laws that will stand in the way of some cutbacks the Legislature might otherwise entertain. One possibility is that Governor Brown will proclaim a state of emergency if the initiative passes, theoretically giving him powers to halt spending that otherwise would be automatic. It would remain for the courts to decide what he could and couldn't do under an emergency order. The courts ruled in a Proposition 13 case that contracts with public employees could not be suspended in 1978 because there was no evidence of an emergency.

• ***Establishment of a new system of laying off public employees.*** There is some pressure for some systems other than a straight seniority method of reducing the force. Even when seniority is used, are credits based on total years of employment, years in a specific job or years in a specific rank? This issue is one that may have to be resolved by the courts.

• ***Federal interchange.*** Legislators at times will be faced with the alternative of keeping a highly valued program that is funded totally by the state or one that is lower on the priority list but is supported heavily by federal dollars.

• ***Campus closing.*** One way to save money would be to close smaller schools at all levels, including community college, state university and University of California campuses.

During the Jaws II campaign, the proponents will point out that the Legislature spends a great deal of taxpayer money ($85 million), and that there are agencies that could be abolished (Arts Council and the Public Broadcasting Commission, for example). But there is no escaping the fact that if all legislative, executive and judicial agencies at the top of government were eliminated, only a small dent would be made in the $5 billion projected loss from Jaws II. The big cuts must come from the big-money operations: education, with roughly half the general fund budget; health, with another 20 percent; and welfare with about 15 percent. The only other category in the budget over $1 billion is property tax relief — and that isn't about to be eliminated.

The ultimate test

For Governor Brown and the Legislature, Jaws II would present the ultimate political test. The voters have an opportunity to give themselves a substantial tax cut without facing the hard choices of which services to reduce or eliminate. For politicians, the issue is which lobbying groups to enrage the most. If the measure passes, the law of the jungle will prevail in the Capitol until a budget is passed. It does not take much imagination to write a scenario in which lawmakers cannot agree which cup of hemlock to drink, and government at the state and local level becomes paralyzed for several months.

Within the framework of normal legislative thinking, the passage of Jaws II will present a problem for which there is no solution.

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How the state lost Toro Peak

By HELEN MANNING

This is the tale of how California's parks bureaucracy squandered the inheritance of a mountaintop with a panoramic view of the Salinas Valley and Monterey Bay.

Because the state failed to meet conditions of the bequest, a Superior Court ruling says it now goes to a private charity that can be expected to lease or sell the $800,000 property for continued cattle grazing. The judgment is being appealed.

The mountaintop is Toro, elevation 3,560 feet, whose snow-capped peak makes it a Northern Monterey County landmark on wintry days. "The quality of the view is so outstanding that it alone would make this an area of state park system caliber and importance," says a resource inventory done for the Department of Parks and Recreation's Sacramento staff in October 1974.

Toro was left to the state by cattleman Leo Piazzoni, on condition that it be developed for public use within five years of his death on February 24th, 1972. Otherwise, it was to go to Guide Dogs for the Blind of San Rafael. Virtually undeveloped, teeming with wildlife, studded with sycamore, willow and oak, the peak and its surrounding 1,350 acres would have been ideal for hiking and riding.

For four years and nine months, in acknowledged awareness that timely development and use were crucial to protection of the gift, the state did virtually nothing. Then in November 1976 — with three months remaining in which to meet terms of the cattleman's will — a select "public" of five Sierra Club members were escorted up for a tour. In January, with a scant month to go, a used picnic table and a pit toilet were hauled up to the site.

Guide Dogs responded predictably. Contending that a pit toilet and table on top of an inaccessible mountain do not equal a developed park, they filed claim in late 1977 to the property they said was now rightfully theirs.

Last December, a Monterey County Superior Court judge agreed. "It is very, very unfortunate that the people are going to lose this very precious piece of property . . . The state, in my opinion, has been very callous of the people's interest," said Judge Harkjoon Paik.

Helen Manning is a reporter for the Salinas Californian.

The trial judge is a man of many parts, among them hiker and punster. He listened with increasing indignation to excuses of competing budget priorities and the state's low-key range war with neighboring ranchers. "Where there's a will, there's a way," said Judge Paik.

The judicial assessment doesn't get much argument from State Director of Parks and Recreation Russell Cahill. "Somebody screwed up . . . I think we've got a good strong position that we did something. However, if I had it to do over — without prejudice to our legal case — I would probably have done a lot more than we did," Cahill says.

Why didn't they? "I really don't know. I know there was dispute within the department as to how valuable this property was . . . But I can't put the finger on anyone, and I don't want to," he says.

Cahill came under legislative fire last summer for the lagging pace of his department's park acquisition program, to the point where he submitted his resignation. Governor Jerry Brown declined to accept it and Cahill remains in his job. But the Toro Peak debacle cannot be blamed directly on him. Cahill took over as parks chief in September 1977, long after Toro Peak's time had run out on his two predecessors.

Into the trap

Who goofed — and why — may never be fully explained, but some insights are provided by the court records, newspaper clips and interviews. There seems to have been a tug of war in state ranks between those who saw Toro as a precious resource and those who suspected it might prove to be a white elephant. Resistant ranchers, on the other hand, stood solid on frustrating the state's right to access, in the hope of forcing them into default. The department was forewarned of this tactic by the attorney for the Piazzoni estate as early as 1975. Policy makers nevertheless walked themselves into the trap, under the self-induced delusion they could procrastinate, allocate scarce park dollars elsewhere, conciliate the hostile neighbors and still retain claim.

"There is a policy issue that must be addressed prior to February 24th, 1977," begins an exchange of memos between Director of Finance Roy Bell and Secretary for Re-

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ILLUSTRATION BY GRACE MATEU

sources Claire Dedrick in the spring of 1975. One of Bell's budget analysts had gone down to Monterey County a month earlier for an inspection that left him almost equally impressed with Toro's beauty and its potential for trouble. "It was apparent the summit would provide a magnificent scenic overlook," Lowell R. Gano wrote his boss. It was likewise apparent that getting to it would take a bitter fight. Gano admired the view from a rented airplane because, he explained, neighboring ranchers would not let the state representatives past a locked gate to reach their land. It left Bell wondering if the state should back off. "The mountain peak might well be an important asset in the state's communication network. Such an area might well be retained and the balance of the ranch could be allowed to pass to the Guide Dogs for the Blind by negotiations. Your evaluation of those policy issues would be most appreciated," Bell wrote.

Dedrick's analysis was that the state should proceed with an acquisition it had legally accepted from the Piazzoni estate in May 1977, but perhaps with less than full steam ahead. "It does not commit us to any specific expenditures . . . There would appear to be no major risk for the state."

Just a few strings

Equally mixed signals were coming from the department's District Four in Monterey, prompting Judge Paik to charge during trial that the public had been deliberately misled. The message for public consumption in November 1975 was that the state was having problems but was confident of having Toro open to hikers by deadline. In February 1977 came the assertion that the deadline had been met. The peak was available for public use, though admittedly with a few strings attached. Access would be by prearranged guided tour only, to avoid disrupting cattle operations, said Charles Mehlert, assistant superintendent of District Four.

The reality was less rosy, as Mehlert now freely admits. An initial request for $37,848 for Toro Peak development had been blue-penciled out of the department's budget in 1973. Similar requests during the next two fiscal years met the identical fate. No funding requests were attempted during the crucial fifth year. "What little was done, we scrounged," Mehlert says.

"You were told not to even bother to budget . . . It was too low a priority? Don't even waste your time?" demanded attorney Martin Kresse, representing Guide Dogs at the trial.

"That's an assumption on my part but, yes," agreed Monterey Area Park Manager Clyde Ray.

Not only was Toro still unbudgeted by 1977, it was unclassified within the state parks system. There was no official development plan and it lacked so much as an identification sign. Although the public was told guided tours could be had, Mehlert concedes that was stretching the facts. When people called, all he did was take their names.

On the critical issue of access, Mehlert says property management staff turned up in October 1975 what appeared to be an 1886 deeded right-of-way that might have been just what the state needed to get hikers onto the site. Word of the discovery was relayed to Sacramento. "I don't know what the reason was, but nothing seemed to happen," he says.

By 1978, an undated memo had district staff suggesting the state let Guide Dogs take Toro. "Because of the steep terrain and public access problems, we can see no merit in retaining . . . Let it revert," the memo states. That was explained during trial as intended shock therapy for Sacramento budgeters.

But if the state was suffering from a bad case of divided goals, the ranchers were not. "A spite will, after years of right-of-way fights," is how rancher Bob Wilson labeled it in a 1975 letter to Governor Brown. Wilson suggested to the governor what he'd suggested two years earlier to Parks and Recreation Director William Penn Mott. "Why not make a deal with Guide Dogs?" The state could reject the gift, which could then be sold by Guide Dogs to the ranchers with provision for a scenic easement. "The view of this beautiful mountaintip would be permanently protected" without disruption to the ranchers, he said.

Ranchers and Guide Dogs made no attempt to disguise their common cause. In asserting its June 1977 claim that the property was forfeit, the San Rafael charity said it had solid proof that the public had never set foot on Mt. Toro since Piazzoni's death. "Bob Wilson has kept a diary and can testify to the foregoing," they said.

But Wilson's diary was superfluous to proving what the state never tried to dispute. State witnesses testified that they were aware of the deadline, they knew the parks department had not done much — but they thought it would be enough.

Mehlert now says he had some idea — following the 1975 discovery of the old right-of-way deed — of dramatically staking the state's claim. "I called our attorney and said, 'Hey! Nothing's happening. Suppose I organize a hike of about 100 Boy Scouts. Advertise it in the newspaper. If necessary, cut the gate.' "

He was told the state might provide his legal defense, but the liability would be his if they lost. "It sort of takes the ardor out of a fellow. I said nuts to that," he recalls.

In Sacramento, James P. Tryner, chief of the department's resource management and protection division, seems to have suffered a similar spasm, reflected in an internal memo of May 1976: "In the face of losing this property, extreme measures seem to be justified. Could you not cut costs by . . . drawing guides from existing staff during slack season; using the area for a primitive experience? We've got to approach this in some way other than the traditional, or we are going to lose it," he wrote.

Tryner reinforced his cry of alarm with a personal offer to conduct tours into Toro Peak two weekends each year. It appears to have brought no takers. In the end, the state based its claim on that table, pit toilet and the Sierra Club Five.

"The reason they were put up there is you were coming up against the deadline and decided you'd better do something?" demanded the Guide Dogs' attorney regarding the hastily assembled defense.

"I think that's a fair assumption," said Ray.

It was one more piece in a consistent pattern of too little, too late. The state's first appropriation of $22,002 for Toro came a year after the deadline expired. At the very end, the deputy attorney general picked to do legal battle for Toro was sent into court with insufficient time to prepare.

Faint prospects

Whatever the past record, the parks director insists he has no present doubts about the state's desire to retain Toro Peak. "I can tell you, I'll exercise every remedy I can to get that into clear public ownership," Cahill says. With its factual case rebuffed by Judge Paik, the department is hoping to convince an appellate court of a distinction between "developed for use" and "usable" that could yet wrest Toro Peak from Guide Dogs for the Blind's eager hands.

Failing that, they're exploring with Monterey County the possibility that the state and county could chip in to somehow buy back Toro Peak. But that would require Guide Dogs to bite the rancher hand that fed it. First reports, at least, said they weren't answering Monterey County's phone calls.

Engraved across the entrance to one of the state office buildings in Sacramento is the challenge: "Send me men to match my mountains."

For the conquest of Toro, they didn't, so the peak may be left to Guide Dogs — and the cows.

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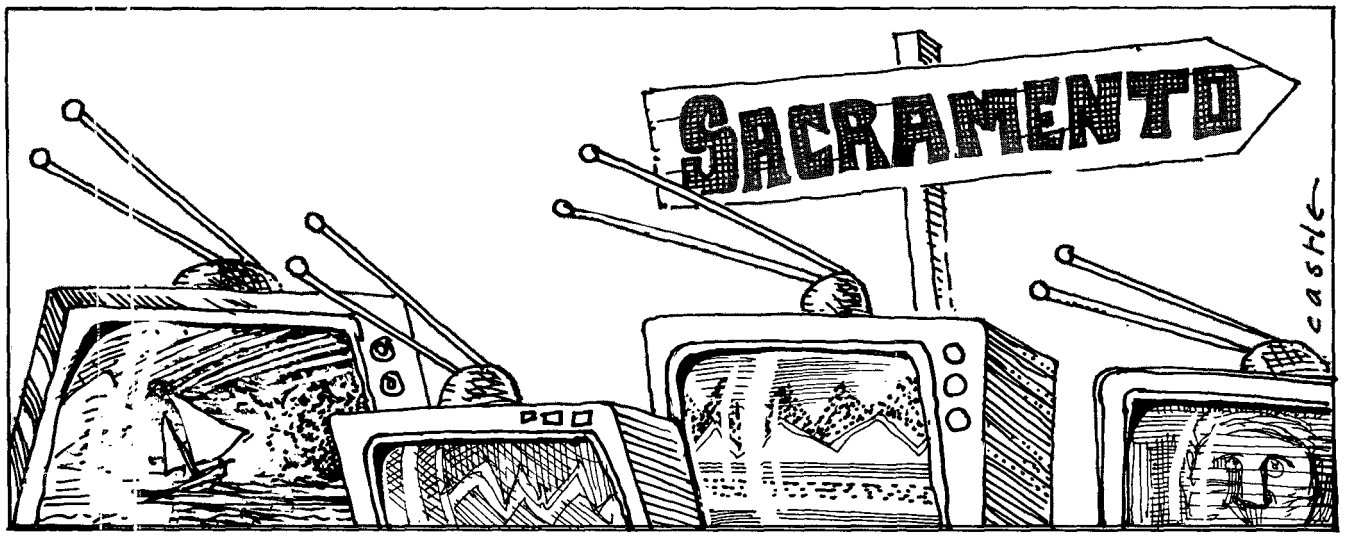

ONLY EXCEPTIONS: LA'S KNBC and SF'S KRON

The TV boycott of state Capitol news

By DOROTHY A. KUPCHA

"We don't spend much time covering the state Capitol because most of what the Legislature does doesn't really affect people's lives." — *Harry Fuller, assignment editor, KGO-TV, San Francisco.*

"Sacramento is far away from San Diego, and our viewers just aren't that interested in what goes on there." — *Jim Holtzman, news director, KFMB-TV, San Diego.*

"You don't have to have a permanent bureau in Sacramento to adequately cover Capitol news." — *Karl Fleming, managing editor, KNXT News, Los Angeles.*

Those statements come from news executives, largely invisible to the public, whose judgments shape what Californians see on television newscasts. Similar sentiments are expressed by representatives of most other major television stations in California when they explain why they do not spend more money and effort covering Capitol news. At a time when polls show that most people use television as their prime source of news, coverage of state government ranges from weak to nonexistent at most TV stations in California. And the trend seems unlikely to change in the foreseeable future.

Only two non-Sacramento stations maintain full-time bureaus in the capital: KRON of San Francisco, and KNBC of Los Angeles. KGO and KPIX of San Francisco occasionally send reporters to Sacramento for one day, when they feel a story warrants it. KABC and KNXT of Los Angeles also will fly reporters up to Sacramento occasionally for a big story. Spokesmen for KFMB, KGTB, and KCST in San Diego say they almost never send reporters to Sacramento.

Sacramento stations are in a special position, of course. For them, Capitol events are local as well as state news. KCRA, KXTV, and KOVR each have a designated "Capitol correspondent," but their coverage of the Capitol can hardly be considered extensive.

"If you want anything other than superficial coverage, you have to have someone in Sacramento all the time, who understands the game and the players," says Rollin Post, considered by many to be the foremost political reporter on California television. Post, after years of covering politics for two other San Francisco TV stations, recently moved to KRON as political editor. (That's a job designation most TV stations don't even have.) In a move highly unusual for a local TV station, KRON has recently poured huge amounts of money into covering government stories. Among his duties, Post coordinates the work of a full-time Sacramento bureau (staffed by reporter Ginger Rutland, a producer, and two technicians) and a seven-member Washington bureau. "If you don't have someone who really knows what's going on," Post says, "you play into the hands of the Legislature and the governor. You become a conduit for their public relations efforts. You go for the obvious stories — staged events like demonstrations and scheduled speeches — but you miss most of what's really going on."

What viewers want

Doug Kriegel, KNBC's capitol correspondent, agrees that being on the scene is the necessary first ingredient for any kind of meaningful coverage of state government. In addition to an understanding of the process he's trying to report, Kriegel says, "Being here allows me to develop contacts an out-of-town reporter would never have access to."

TV stations are sensitive to criticism, but they insist that they know best what their viewers want. During the 1974 election, most of the media, especially TV, allowed Jerry Brown to dictate what was covered — a phenomenon documented in Mary Ellen Leary's book, *Phantom Politics*. Before the 1978 elections, many TV news executives acknowledged Leary's point and vowed to do better with issues

Dorothy A. Kupcha, a former television reporter, wrote this article while a free-lance writer in Sacramento. She recently joined the staff of the state Legislature.

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and statewide elections. Then came Howard Jarvis and Proposition 13, which monopolized nearly all political coverage in that election year.

Today, in the highly competitive world of commercial TV, other stations are not rushing to follow in the footsteps of KRON and KNBC. "Far from setting any standards, KRON has gone overboard in covering political stories," says KPIX news director William Applegate. He claims KRON feels compelled to carry Capitol news even when nothing important is going on. "Some of the most insignificant political stories I've ever seen have come out of KRON's Sacramento bureau." Applegate says his own station has a "reasonable, but not heavy" commitment to political news, and says to cover more than they do would make the newscasts dull. KGO, the longtime ratings leader in San Francisco, is also unimpressed by KRON's heavy commitment to Capitol coverage. "Our audience doesn't look for political stories," says assignment editor Fuller. "Most of them don't even turn out to vote." Fuller says he's more likely to assign a reporter to travel to UC Davis, to find out more about some new kind of scientific research, than to send a reporter a few more miles down the road to the state capital.

Spokesmen for Los Angeles stations KABC and KNXT were not as quick to discount the interest of political news, but they insist they can cover it adequately without the expense of a Sacramento bureau. "Just because we don't have a permanent presence in Sacramento doesn't mean we don't have a commitment to covering politics and state news," says KNXT managing editor Fleming. Fleming says state issues transcend Sacramento, and many of them can be effectively covered using Los Angeles-based news sources. KNXT and KABC both say they do not hesitate to send a reporter and crew up to Sacramento for a big story. KABC political reporter Leo McElroy says when the Legislature is in session, he spends almost as much time in Sacramento as he does in Los Angeles.

Time and talent

But merely counting the times each station has a reporter in Sacramento doesn't measure the quality of the station's Capitol coverage. The kinds of stories a station pursues, the play those stories are given in the newscast, and the time a reporter is given to develop the story are better indicators of a station's commitment to covering state government. And it is with this last element — time — that most stations make the poorest showing. Consider this typical scenario: An out-of-town reporter arrives in Sacramento on the day of an important hearing. He does a "stand-up" in front of the Capitol, so viewers will place him at the scene. He shoots footage of the principal characters in the Legislature and perhaps obtains some brief interviews. Then, before anything really happens, he flies back to Los Angeles, or drives back to San Francisco, to meet an afternoon deadline. Once back at his station, he consults AP and UPI wirecopy, and makes some phone calls, to discover how the story actually turned out. He then compiles his report for the evening newscast, which gives the impression he spent a lot more time at the Capitol than he actually did.

This sort of thing happens all the time in TV. It's not that it's necessarily bad or intentionally deceitful. It's often the only way a TV reporter can get an out-of-town story on the air the same day it happens. But the danger lies in the impression it makes on the viewer. "In television, it's so easy to give the illusion we're telling the definitive story, that this is all there is to know on the subject," according to reporter George Reading, who until January covered the Capitol for KXTV. When a reporter is forced to do a rush job, he or she has no chance to gain any Sacramento perspective on the story and, as a result, adds little or nothing to wire service accounts. But the impression left with the viewer — that the reporter has been there and gotten the inside story — is exactly what most TV news managers are interested in. "Unfortunately, the management goal is to market a newscast, not to market profundity or perspective," says Reading.

One of the reasons profundity and perspective regarding state news are in short supply on TV is that the workings of government can be complicated. Many issues — especially ones having to do with budgets and taxes — are even difficult for newspaper reporters to clarify in lengthy written articles. They are virtually impossible to make comprehensible in the one-to-three minutes usually allotted TV news stories. Also, since TV reporters are not usually permitted the luxury of specializing in a certain area or devoting a long time to dissecting one issue, most of them don't really understand the government fiscal matters they are trying to report. "It's cheap and easy to let Howard Jarvis rant and rave on the air for a whole minute," says Roger Lindberg, former Capitol reporter and now assignment editor for KXTV. "What isn't cheap, and isn't easy, is hiring talented, intelligent, sophisticated reporters who understand complicated issues, and giving them the time and backing they need to do a story the way it should be done."

News executives of TV stations who don't do much Capitol coverage generally say state politics is dull, and the audience isn't that interested. Kriegel disagrees. "About 40 percent of a person's income goes to some kind of taxes," he says. "A lot of that 40 percent gets funneled through Sacramento. I think people are interested in what they're getting for their money. But a lot of TV management-types don't really understand what's happening here in Sacramento themselves, and don't know how to make it work for TV, so they pretend it's not news." Lindberg takes that thought a step further. "Look at the popularity of *Sixty Minutes*," he says. "People want complicated stories explained to them. Stories about money and bureaucracy can be made exciting and interesting. But not if management won't commit the money and people to do it."

At the moment, KRON is the only California station even approaching that kind of commitment. Reporter Rutland says the station encourages her to do long, investigative stories, and it provides her with producer Don Fields to help with the research. Rutland says she also has the freedom to take several days or even a week to work on one story, if needed.

Another factor that hampers TV coverage is the medium's reliance on visual elements of a story. Much of the legislative process involves discussing, exchanging and examining ideas — and ideas are hard to illustrate. What so often turns up on the air is dull footage of legislators in a hearing room, interrupted occasionally by "talking head" interviews, and perhaps a stand-up of the reporter at the end. No matter how interesting and informative the reporter's narration may be, boring visuals detract from his story. The result: Reporters and assignment editors tend to chase stories with visual potential and to ignore those without it.

A variation of the visual story is the "glittering personality" story, which lends itself well to TV. After the Senate refused to confirm Jane Fonda's appointment to the state Arts Council last summer, it seemed as if every camera crew that could fly, drive or walk to Sacramento got right on it.

It's easy to say that TV stations should cover more Capitol news, and that out-of-town stations should open bureaus in Sacramento. But the mere presence of more cameras and reporters in the Capitol's press conference room would not significantly alter the nature of what Californians see on their TV screens at 5, 6 and 11 p.m. Unless TV news management changes its basic policies, those people who rely on the tube as their only source of information will continue to know little about the real issues in state government.

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The 57 varieties of BILL CAMPBELL

By HERB MICHELSON

The visitor in state Senator Bill Campbell's office had a thought — a notion about a campaign button for 1982. On the button would be the sun, shining warmly as it slips below the horizon. On the top half would be imprinted "Bill Campbell for Governor."

For years the pudgy lawmaker from Hacienda Heights has been pushing for a sunset law that would force every state agency to prove every five years that it deserves to stay in business. Every time he introduces such a bill, it's defeated. But Campbell — an early supporter of Jarvis II — thinks the sun is rising on a new political day. And he hopes a sunset plank will serve him nicely in a 1982 statewide platform.

There are several parts to the ample form of this conservative lawmaker. Born in Moon Township in Western Pennsylvania, he claims that he didn't know for years that God had invented running water. Bill Campbell had to go to the well and pump until he was past 12. His late mother went to Slippery Rock State. And Campbell once had a six-month career as a school bus driver. That's one-third of Bill Campbell.

Then there is the percentage of Bill Campbell which has evolved into Hacienda Fats, the nice-guy-Camaraderie-Kid perception of Bill Campbell. And there's the one-third blustery orator, the William Jennings Campbell who could snap galluses, prosecute Scopes and chew gum at the same time. There's still another fraction: the chunk of Campbell viewed by folk of all political persuasions as an effective legislator, perhaps one of the most able state senators in years. He is a guy who not only understands a wide range of issues but who also can persuade his colleagues to see things his way.

"If I were you," says lobbyist Ethan Wagner, "I wouldn't underrate Bill Campbell in any manner."

"He's a very, very smart cookie," says a veteran Democratic state senator. "He's the kind of guy who can lull you to sleep one moment, and then the next thing you know he's pushed you off the cliff."

One of Jerry Brown's biggies who deals frequently with Campbell says, "Bill has this wheeler-dealer mannerism about him every time we talk. Yet he's straight. I mean, when he gives his word, he keeps it. But still, each time I'm involved in an issue with him, I'm never totally sure of him. Each time, he gives me pause, even though I know I have no reason to doubt his word."

There may be 57 varieties of Campbell, but he'd sure be better off as a more distinctive Heinz. He is keenly aware that next to no one knows Bill Campbell outside Sacramento's tight little island of government. And in gubernatorial politics, name recognition is the name of the game.

The rest of the Starting Five — those Republicans flirting with the idea of becoming the next governor of what's left of California after Jarvis II — consider Campbell as one of their pack. He's been talking gubernatorial talk since '78, a year in which he would have had "a free ride" in the GOP primary (as he also will in '82) because his state Senate seat down there around Whittier will not be contested. But he skipped '78 because of (1) an already-crowded Republican primary field, and (2) his belief that Brown couldn't be beaten. (If Evelle Younger had only known.) Campbell ended up as one of the only eight or nine people in the entire Western World who endorsed John Briggs in that primary — because, he says, Briggs was a Senate colleague.

A longshot's chances

Now, at the midpoint between then and next, Campbell sees himself still as a longshot — but a possibly potent longshot. He knows that you can't plan too far ahead in his business. He knows the litany of legislative leaders who failed to make it to the top. He knows his emergence from the pack depends on the conduct of the others in the pack — performances beyond his control. "But if opportunity knocks," he says, "I'll be in a position to run."

It's almost like a promo for a network soaper: Can a 45-year-old, overweight, neo-conservative, gregarious, Mormon, straight-talking, Laetrile-supporting fellow from the coal fields of Moon Township who tried to find happiness in Hacienda Heights, California, now overcome The Duke (George Deukmejian), The Bubblegum Rock Titan (Mike Curb), the San Diego Flash (Pete Wilson) and the Fresno Farmers' Pride (Ken Maddy) in the fight to live in a large, expensive mansion in the suburb of Carmichael?

Herb Michelson is a columnist for the Sacramento Bee.

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Campbell pulls on his lunch (a can of diet root beer), shifts on a non-power position chair in his Capitol office and examines Bill Campbell. "I'm enough of an egotist," he says, "to believe that I have better legislative skills than the others. And I can articulate the positions better."

He is ticking off assets. Look at Iowa, he says. Look at what Bush did in Iowa's caucuses in January. He out-organized the others. Organizing, he says, pulled Bush out of the pack. Organizing, he says, "is my best opportunity to come out of this pack. I've worked the precincts for 20 years. I have more organization ties — precinct and party ties — than the others do, I think. And that's my strong suit statewide."

But. (And he does not hestitate to acknowledge this but.) "But I know I don't have a great deal of name identification. So I have to be in a position to dramatize my assets, to become known. How? With an issue." An issue, he says, will give him a platform. And the platform will introduce Bill Campbell. (On the other hand, in Ken Maddy's view, "No single issue can carry a candidate to the governorship of California in this age.")

Climbing the ladder

Issues? Campbell has a plethora: his always-beaten sunset bill; his state tax philosophy, which embraces the Laffer Curve as opposed to the Niekro Knuckleball; his concerns about catastrophic health care; his vision of a thrifty-yet-compassionate government.

If the opportunists among you believe that Campbell is all-of-a-sudden reaching for hotsy issues, bear in mind that his interest in sunset legislation dates back at least five years. Ten years ago (May of '70), syndicated columnist Jack Kilpatrick called the promising young conservative Campbell "an affable fellow, built on the lines of a friendly woodchuck, who combines tenacity with good humor, who has no illusions that his radical plan is likely to win enactment soon but is pleased to see the interest building up . . ." Campbell's "radical plan" of 1970 was the school voucher notion, the use-a-state-buck, go-to-any-school plan which failed to make this year's ballot.

In other words, Campbell's been out there thinking almost from the day he first reached the Assembly in 1967. For a long time, he's been a man to match Kilpatrick's philosophic mountains. Or, in the fiercely conservative view of things fiscal, foothills.

Campbell does not see himself as a fierce conservative, though. He's "neo," he says, while the likes of Senate colleague H.L. Richardson and Lieutenant Governor Curb are, he says, more "paleolithic." He says that his complaints against the system are balanced by problem-solving alternatives while the others talk about tearing down the house without considering how to rebuild. It all has to do with the implementation of conservative principles, he says.

The decibels of these disparate tones erupted into a Guns of August blare in the state Senate last year. Richardson was trying to dump Campbell from the minority leadership. The squabble was over the right to be in charge of 15 other Republican senators in a legislative house which has always been more clubby than political.

Some reports credited Curb with pushing Richardson into combat with Campbell because Mitey Mike perceived Campbell as '82 competition. Earlier last year, Curb was credited with squeezing out Paul Priolo as Assembly minority leader, and some say he was trying for a daily double.

But, says one Republican senator, "Curb's not smart enough to have engineered the Richardson-Campbell thing." From this senator comes a different interpretation of the August *anschluss:*

Ken Maddy had just won his Senate seat. And even though he was newly arrived in this house, Maddy already had several senators pushing him for a leadership position. Richardson, who was GOP Senate caucus chairman, told Maddy that he could be caucus chairman if the Maddy bloc supported Richardson for minority leader. In fact, says this news-leaking senator, Maddy "had 11 votes for caucus chairman even before Richardson made his move." Well, continues the source, it was only logical for Campbell to promise Maddy the caucus chairmanship if Maddy's bloc kept Campbell in the leadership slot.

"So Ken had his choice," says the senator. "Either way he'd end up the number two Republican in the Senate. And he went with Bill (Campbell) because Richardson isn't Ken's type of political bedfellow."

Campbell says he's rather sorry this fuss occurred "because Richardson and I go 'way back."

Richardson was asked if there is a residue of bitterness over the August combat. "I didn't like getting whipped," he says — but no, no residue. He also was asked to assess Campbell's leadership abilities. "No comment," he said. "He's just not worth talking about."

Campbell does not wish to dwell on *l'affaire Richardson.* He will not elaborate on how it started or how it ended. "I saw a move being made against me," he says. "A move to get rid of me as a threat in '82. I saw the challenge, I met the challenge, I scored a decisive victory, I kept the caucus together, and now we can all work together for victory for the party in 1982."

Unlike the Berman-McCarthy mishmash, which dragged on longer than the War of the Roses, Campbell put down Richardson (and, he suggests, Curb) in "two or three hours. When I saw it coming, I simply responded quickly. I didn't want it to fester for a long time." But if it indeed was Curb whom he whomped, Campbell knows that the lieutenant governor is still the hottest GOP prospect in '82.

"If Mike Curb keeps his act together," says Campbell, "he's got the best shot at the gubernatorial nomination. So in a way his trying to dump me was flattering. Despite his early image problems, Mike remains strong. But to stay strong, to stay the leading contender, he's got to demonstrate leadership. If he does, he's *the* candidate. If he doesn't, well . . ."

Down in that "well" is Campbell's No. 2 — Maddy; at least his No. 2 in Senate GOP status. Campbell figures that when the '82 race gets close, he and Maddy will sit down, amicably, and decide who's going to run for what.

The 'hold' button

Maddy rates himself, with reason, high in the ranks of the Starting Five — right up there with Mitey Mike and The Duke. (Campbell, by the way, likes to think, or hope, that Deukmejian enjoys being attorney general so much that he will wish to be nothing more than AG for at least one more term.) Maddy points to his fund-raising success in the '78 primary and to the name recognition he gleaned then. "I'm ahead of Bill in those areas," he says. "He knows I'm on a hold button for '82 right now. But we're not in an adversary position. We work together in the Senate. Bill's a very effective organizer and legislator. A good, strong potential candidate for a statewide office. In 1982, we (Republicans) have the best opportunity to put together a slate of statewide candidates — a winning slate — that we've had in many years. What we ought to do, the five of us, is sit down together eventually and put this slate together. If we could only agree on who would run for what office . . ."

And Maddy smiles the smile of a handicapper. He did not, as a youngster, work around Bay Meadows for nothing. Wrapped in this smile is Maddy's vision of himself sitting down with Campbell and Curb, with Pete Wilson and The Duke, and flipping coins, or shooting free throws, to see who of the Starting Five plays where.

Likely, Maddy and Campbell would suggest to Curb that

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he do nothing more than run for re-election as lieutenant governor. And they'd tell Deukmejian to seek a second term at Justice. They'd suggest that Pete Wilson might make a fine controller or treasurer. And then would come the warm, friendly chat about Numero Uno. "If only everybody could settle on a spot, we'd be so very strong. But that," concludes Ken Maddy, "may not be the real world."

The real world currently is Campbell's work in the Senate. There, says Maddy, Bill "can get on an issue and can move people to support it because he's an attractive guy, a friendly person in terms of his relationships with other legislators — and that's important up here."

"Campbell has a unique combination of skills," says lobbyist Wagner. "He can make a quick study of an issue. He's bright. He can get up on the floor and effectively advance an argument. Now couple this with his genuineness in dealing with his colleagues and you come up with a unique style — a throwback to the days here when legislative leaders, a Moscone for example, had camaraderie and warmth. Not cold like so many of these guys today."

Lobbyists dig Campbell, says Wagner, because "he's accessible, and he'll tell you on the spot whether he'll vote for or against you. He won't hedge. He'll keep his word. And if he feels strongly enough about your issue, he'll go out of his way to support it."

Paying his dues

Campbell knows the precincts, and the polls, because he's been on the Sacramento scene for some 13 years. He was first elected to the Assembly in 1966 on his second try. Unlike many of his brethren, he's not a lawyer. The school system was his route — from bus driver to administrative assistant in a school district office, a job which was loaded with PR chores. That job gave him so much public contact that he became a likely sacrificial-lamb candidate for the Assembly in '64 — a dues-paying race which set up his winning effort two years later.

Campbell left the Assembly after a couple of terms for a run at a Los Angeles supervisorial seat, a job so many pols consider, as Campbell puts it, "one of the most important elective offices in the entire United States; important and powerful." But he lost and thus spent nearly two years in the relatively impotent slot of lobbyist in Sacramento for LA County.

"At least," he says, "it gave me another perspective on the ego element of politics." But it also gave him a desire to get back into politics on a major level, and as soon as a state Senate seat opened up in his district he ran for it and won. Once re-ensconced in the Legislature, he moved up quickly through the thin GOP ranks in the Senate to take a leadership position, one that no one else appeared to covet in a house notoriously unpolitical. But the title has given Campbell what he perceives as the necessary notoriety for upward striving.

The veteran Democratic senator, who labels Campbell as "a very smart cookie," agrees that Bill could win anybody's Mister Congeniality contest. "He's managed to ingratiate himself with a lot of Democrats because of his personality and style," says this Demo. "And he manages then to wangle a lot of Democratic votes on what really are partisan (Republican) issues. But under that warm smile and those sparkling eyes beats the heart of a Scrooge. Don't forget that last year (during work on the Proposition 13 bailout committee), Campbell didn't want to give one penny increase to needy (AFDC) children. He's a man of very little compassion, and what compassion he does have is being diminished daily. Just look at his very early support for Jarvis II, his comments that Jarvis II won't hurt California, that it'll be good for the state. He's too smart to believe that. He has to know it's going to be devastating. But I guess that in the context of a guy who wants to be governor, it's a good political position to take."

Praising Jarvis II

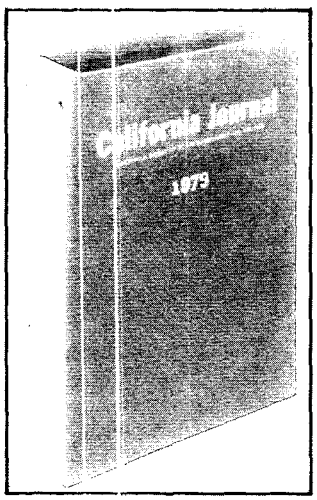
That Campbell position is also blunted by a Republican senator — Maddy. In '78 Ken was anti-Proposition 13. He's yet to go public about his Jarvis II stance, but he does say this about Campbell's cheerleading for the initiative: "Bill's being over-optimistic about its results. No one knows right now precisely what it will mean." But it won't mean roses, says Maddy.

His lower-the-tax enthusiasm is coupled with support for sunset — the periodical examination of governmental bodies. Some of them, he's certain, exist for no other reason except that they're there. "Once a governmental office opens, it never closes," he says. "The closest thing to eternal life on earth is a government agency."

But he's never been able to get the votes to set this sun. Maybe after Jarvis II, he says. "Maybe then we'll be forced to prioritize and sunset will pass." And if it comes then, he says, he will not hesitate to remind the California electorate that "I've been trying to get this thing done for five years." He'll take the issue and run. (No good, says Maddy. "It's not sexy enough.")

So here sits Bill Campbell. Still talking, as he did 10 years ago, about losing weight. But now having a much better reason (TV) to shed poundage. Here he sits sharing Maddy's (and Curb's and Wilson's and Duke's) hold button. Ready, he says, to put together a statewide organization if the opportunity strikes. Knowing, he says, where the campaign money is when the time comes and if it hasn't gone to another of the Starting Five. The money, too, is currently on hold, he smiles.

For a longshot, Hacienda Fats shoots a good stick.



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STRICTLY OPINION

With this column, the ***Journal*** *provides a forum for those wishing to express opinions on California political issues. Inquiries about future columns are encouraged.*

The pension parade

By KIRK WEST

California's public pension-disability complex works too well for some beneficiaries and not at all well for most taxpayers.

• On June 19th, 1983, former state Attorney General Evelle Younger will celebrate his 65th birthday and — with any luck — will begin receiving an estimated $104,000 in annual pension allowances under four separate public retirement systems. That would make him probably the nation's highest-paid retired official.

• Twenty-seven former state legislators, claiming three separate cost-of-living factors, soon will ask a Superior Court judge to increase their combined pensions by about $420,000 annually. If they prevail, some will reap a four-fold increase in benefits. Others — with as few as six years of legislative service — will receive what incumbent lawmakers earn in salary (now $25,555), and five others will win allowances in excess of incumbent salaries.

• In San Francisco, city pension contributions to police and firemen hired prior to November 1976 now total more than salary costs for the same class of employees.

• In 1978, the California Supreme Court, while granting former state Treasurer Bert Betts a doubled retirement allowance of $37,545, reversed an appellate court decision against excessive pension payouts and overruled a statute which had repealed certain cost-of-living features in pension law. Betts and 20 other constitutional officers (or their beneficiaries) now receive, will receive or are seeking to receive an inflation windfall based on (1) the current salary of incumbent officers, (2) the growth of inflation from 1954 to the date of retirement, and (3) the prospective, year-to-year rate of inflation. It is this "mega-index" which enables former Governor Pat Brown to enjoy a pension worth as much as the incumbent's $49,100 salary.

• Last year, a study of four public pension systems in Los Angeles concluded that the benefit levels provided for county employees and city police and firemen "are so generous as to threaten the future ability of the city and the county to provide services" for their citizens.

• And in 1978, a statewide inventory of public pension plans concluded: "The average California public employee with 30 years of service receives significantly higher net income upon retirement at age 65 than he received just prior to retirement. The benefit levels are not equitable, nor can they be justified on any rational basis."

California's public pension-disability complex needs work. Reform, however, is not an easy task, given the past disposition of many public officials to take the easy way out by granting benefit hikes which don't fall due during their tenure in office.

But perhaps the greater obstacle is the California judiciary, which has legislated in defense of employee retirement add-ons with invincible generosity. So thorough has been the courts' domination in the field that lawmakers have sometimes been driven to near-comic lengths in their attempts to circumvent case law. Last year, for example, following the Supreme Court's *Betts* decision, four lawmakers introduced a bill (AB 70) which would have stripped all pension income received by former constitutional officers which exceeded two-thirds of their pay while in office. The bill failed to get out of the Assembly.

Here are some reasonable reforms which should be considered:

• ***Limit public pensions to a percentage of final salary.*** One purpose of a pension is to provide replacement income no greater than the *net* salary last earned by a career employee. A reasonable pension target should be perhaps 70 percent of pre-retirement pay.

• ***Limit future retirement credits for current and future public employees.*** The development of a so-called two-tiered retirement plan, providing more realistic benefits on a prospective basis, is necessary to scale down the monumental public liabilities generated by such features as full and automatic cost-of-living increases for retired safety members.

• ***Place an overall limit on the total benefits a retiree may receive from more than one public system.*** Double-dipping is a difficult issue because excessive benefits are all earned quite legally, and recent court decisions have compounded the excessive sizes of those legally accumulated sums. But a way must be found to tame the roaring totals chalked up by some career public officials and safety members.

• ***Integrate Social Security and retirement system benefits for purposes of fixing a maximum pension cap.*** Social Security is a public retirement program financed equally by public employees and state and local taxpayers. State and local pension system costs should be offset, not supplemented, by public employer contributions to Social Security.

• ***Improve system funding.*** No new pension benefits should be approved without full funding, and existing unfunded liabilities should be resolved before any new benefits are considered.

• ***Direct to retired employees whatever benefit improvements are feasible.*** At current rates of inflation, the value of a non-indexed retirement allowance can be cut in half within five years. Under most systems, those who have been retired the longest are hardest hit by inflation. However, even an ongoing cost-of-living adjustment of 5 percent a year can increase the public cost of a basic retirement benefit by as much as 50 percent. To break this cost-benefit dilemma, improved benefits for long-retired pensioners must be financed by tempering excesses in other parts of the system.

Kirk West is the executive vice president of the California Taxpayers Association.

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Would the rent initiative produce more apartment units?

By Maureen Fitzgerald

Is the threat of rent control driving investors away from the California housing market? Does the existence of rent control in California communities promote the construction of single-family homes rather than rental apartments? And is a law needed to place restrictions on rent control and thus unleash the forces needed to provide the state with the housing units it needs?

Or is the pending rent initiative, Proposition 10 on the June 3rd ballot, an attempt to undercut the gains of tenant groups in the wake of Proposition 13? If enacted, won't it eventually eliminate the possibility of rent control ever being imposed on most apartment units in the state?

The proponents of Proposition 10 have one strong argument in their favor: There is no doubt that there has been a slowdown in the construction of apartments in California, even though the demand outstrips the supply. There is little agreement, however, on the causes of the slowdown and the remedies. The proposed constitutional amendment is a high-stakes proposition for developers, landlords and tenants. It would erase existing rent-control ordinances and require that they be imposed in the future only by vote of the people in each community. Even then, any ordinance would remain in force for only four years and could not apply to certain forms of housing.

California is divided about evenly between homeowners and renters. It is estimated that 45 percent of the rental units now are under some form of rent control. Renters in recent years have become more militant, and rents have not been the sole issue. In some communities, children are barred from apartments. Los Angeles and San Francisco ban discrimination against minors, and state legislation is being sought by renter organizations.

Investors' uncertainty

Proposition 10 is sponsored by a coalition called Californians for Fair Rents, consisting of the State Building Trades Council, California Apartment Association, California Housing Council, Mortgage Bankers Association, California Building Industry Association and the California Association of Realtors. The proponents contend that passage of the measure would eliminate investors' uncertainty. They contend that construction has virtually stopped because lenders and investors are afraid that future local ordinances might turn their projects into financial ruin.

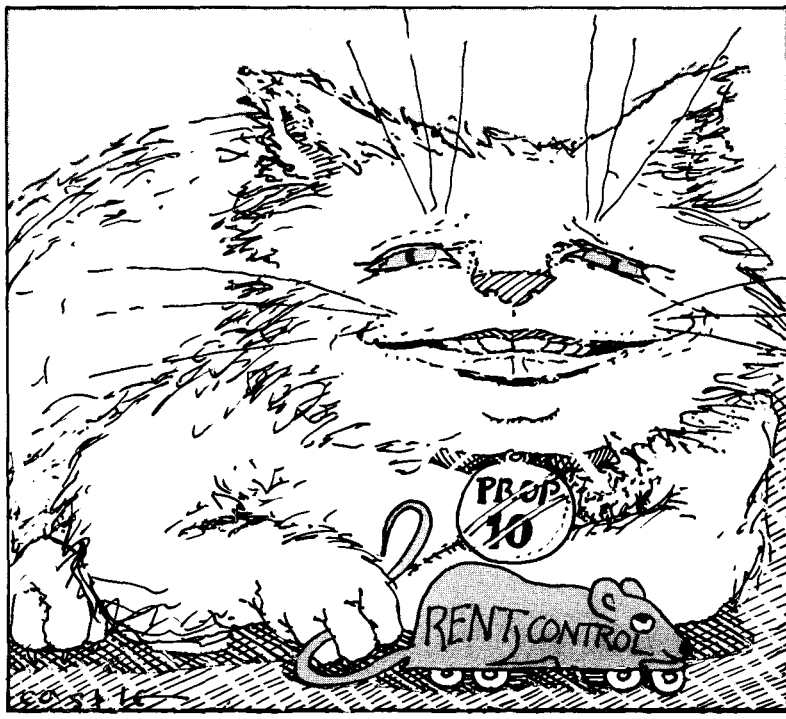
What kind of campaign will the measure's proponents undertake? Campaign director Jack McDowell of Woodward, McDowell and Larson, the firm handling the campaign, says that will depend on how many "fallacies" the opponents present. It is expected that the proponents will spend $2-3 million on the campaign in addition to the $1 million or so already expended to place the measure on the ballot.

Two major themes of the campaign: The measure will prevent rent-gouging and will stimulate the construction of needed rental housing. Apartment-industry representatives say they frown on rent-gouging even when the market will bear it. The reason is that unreasonable increases eventually contribute to demands for rent control and more government intervention.

McDowell and company will point to studies that detail the impact of rent control. A University of Southern California report contends that even though apartment construction had slowed in California before Proposition 13, rent control has further diminished new apartment construction. Researchers John Kirlin and Steven Frates examined the impact of rent control in six communities that had imposed some type of rent control. They found that the prospect of rent control had spurred demolition of existing units to be replaced by new condominiums and conversions of rentals to owner-occupied condominiums when permitted by local government.

The renters' share

The rent initiative is a direct legacy of Proposition 13, the property tax cut measure enacted in June 1978. Since the passage of 13, there appears to have been a shift in Californians' attitude towards rent control. Prior to 13, Californians were against it. After 13 passed, it appeared that renters were not getting their share of property tax savings. Tenant groups pressed elected officials for rent rollbacks and a sharing of Proposition 13 savings. Over the past year



Maureen Fitzgerald is the director of a "Citizen Democracy" research project being conducted by the Journal *with the assistance of a grant from the Ford Foundation.*

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What the rent initiative would do

Here are the main provisions of the rent initiative on the June 3rd state ballot:

- Restricts imposition of rent control to local government — and only by vote of the people.
- Limits duration of rent-control measures to four years. They could be renewed only through another vote of the people.
- Permits rents to be increased up to the average increase in the consumer price index for the previous 12 months, plus an amount to pay for improvements.
- Exempts from any kind of local rent control single-family homes, new rental units (first occupied after June 3rd) and publicly assisted multi-unit projects in which rents are controlled as a condition of government aid.
- Requires the establishment of appointed commissions to resolve rent-increase grievances.
- Maintains in force present rent-control laws only until the next election in each community.
- Defines rent control as any state or local governmental action which attempts to or does freeze, reduce, restrict, limit, rebate or otherwise control the amount of rent demanded or received.

and a half, rent controls have been enacted in Los Angeles, Berkeley, San Francisco, Santa Monica and other cities. Most rent measures did not require a passback of property tax savings but limited the amounts that rent could be increased to 7 or 8 percent a year.

The path to rent control has been bumpy. In Los Angeles, the city council passed a rent-control ordinance. In San Francisco, the voters twice turned down rent-control measures, but tenant groups successfully pressured the board of supervisors for a rent-control measure by board action. In Santa Monica, the voters turned down and then passed a rent-control measure. In some communities, including those that have no rent-control ordinance, the fear of such limits has caused apartment owners to convert their buildings to condominiums. Such conversions have displaced tenants who will not or cannot buy their units. The displaced-renter problem has prompted measures restricting condominium conversions.

One of the other direct Proposition 13 legacies was the substantial increase in the state income-tax credit for renters from a flat $37 per tax filing to $60 for single persons and $137 for married couples.

The opposition to Proposition 10 will be conducted by Californians Against Initiative Fraud (CAIF), which consists of the California Housing Action Information Network (CHAIN), Tom Hayden and Jane Fonda's Campaign for Economic Democracy and the Golden State Mobilehome Owners Association. CHAIN is a coalition of local tenant groups seeking rent-control measures in numerous communities. CAIF has started its campaign with little money, and leaders see no easy way to raise a sizeable war chest. CHAIN's Northern California spokesman, Steven Hopcraft, is far from optimistic that the coalition can raise the $1 million he says would be needed to run an effective campaign.

Grass roots and suits

Without money for media exposure, CAIF is being forced to try the grass-roots approach, working through church, minority, senior-citizen and low-income advocacy groups in each community. The coalition also will try to win editorial support of newspapers and broadcasting stations. Thus far, the main weapon has been the use of court challenges, which have produced favorable publicity for the opposition. The opponents have gone into court to protest alleged misrepresentations by the signature solicitors for the initiative, and an unsuccessful attempt was made to have some of the signatures declared invalid.

Secretary of State March Fong Eu won a change in the title that will appear over the initiative in the official voter pamphlet. Attorney General George Deukmejian agreed to eliminate "rent control" and use "rent." Instead, CAIF wants more: a rewriting of the summary, which the opponents claim is misleading and might cause a supporter of rent control to give the proposition a yes vote.

How do opponents counter the evidence of a slowdown in apartment construction in the past two years? Tenant representatives argue that the slowdown started before rent control became popular. The real reason is the higher cost of land and money, they say. Builders prefer to erect condominiums and single-family detached homes now because they are more profitable than rental units, CAIF insists.

The major issues

There are a number of controversial issues raised in the measure itself:

- ***Use of consumer price index.*** Is the cost-of-living rent allowance in itself inflationary, especially when energy costs are pushing up the consumer price index? A CAIF spokeswoman says that the language in the initiative would require that local rent ordinances provide for increasing rents by the change in the consumer price index. McDowell disagrees. He says that the language only establishes the use of the CPI change as a maximum, and that a lesser figure could be used in a locality's rent ordinance.
- ***Phasing out existing ordinances.*** The measure would maintain existing rent ordinances until the next election, at which time they would die. A rent proposal could then be placed on the ballot at that election for voter action. Tenant groups say that the initiative thus wipes out the gains they already have made and then requires a new vote that puts them at a substantial disadvantage. To win an election requires money that the tenant groups don't have. Apartment interests, on the other hand, would more easily be able to finance a campaign on a rent ordinance.
- ***Vacancy decontrol.*** The measure provides that a rental unit which is voluntarily vacated shall not be subject to rent control except after it has been re-rented. Tenant groups argue that because of turnover, most units would eventually be decontrolled.
- ***Exclusion of newly constructed rental units.*** The measure excludes from rent control all newly constructed rental units which are first occupied after June 3rd. Such exemptions would apply for the life of the rental unit. Most existing rent ordinances have excluded newly constructed rentals from regulation. This exclusion means that all future construction would never be regulated, even by a vote of the people. The proponents contend that this is necessary if investors and lenders are to be protected from ordinances that could make their financing unworkable and destroy their investments.

What will be the impact on rent control if the measure is approved? The proposition would make it harder for tenant groups to get rent-control ordinances enacted, and those currently in effect will be eradicated. It is hard to predict the impact on apartment construction, but passage might stimulate development.

But there is a downside risk for the sponsors of the initiative. If it is defeated, public officials in communities throughout the state might take the vote as a sign that Californians want rent control where it is not now in force. Even tougher laws in those cities with existing rent-control ordinances might result.

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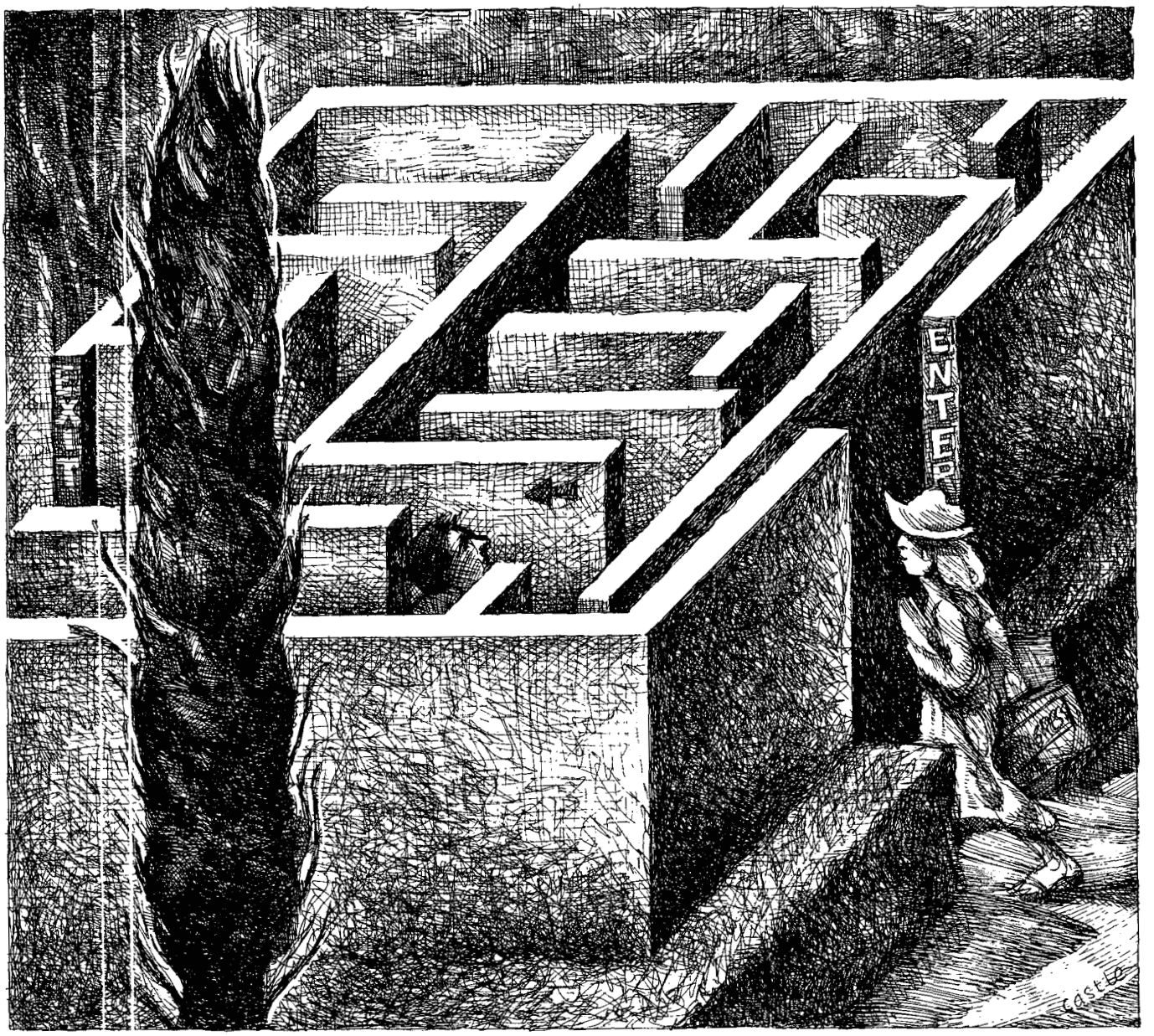
CALIFORNIA JOURNAL

PRACTICAL GUIDE TO STATE AND NATIONAL CAMPAIGN REFORM LAWS 1980-81 Edition

BY LANCE H. OLSON



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Introduction

In 1976, the *California Journal* published the first edition of this practical guide to campaign laws. It was designed to help Californians who are not attorneys and accountants — and even some who are — cope with the complex new rules of the political game resulting from the enactment of the Political Reform Act of 1974 by the voters of California and the passage of legislation creating the Federal Election Commission in 1971. In the years prior to the enactment of these new laws, Californians didn't have to pay too much attention to the accurate and timely reporting of campaign financial activities. That is no longer the case. A great burden is now placed on the shoulders of those candidates, campaign officers and political committees who venture into the electoral thicket. Those who fail to meet the stringent requirements of the new laws now risk fines, embarrassment and possibly imprisonment.

The state Fair Political Practices Commission has served notice that it will prosecute even those who make inadvertent errors. And, in several instances, elected officials in the state have had their political careers damaged by actions of the FPPC because of alleged campaign-reporting violations.

The response to the 1976 booklet was so favorable that the *Journal* has decided to publish updated versions of the guide every election year to assist those participating in the political process. The booklet is arranged in a logical sequence with a question-and-answer format showing precisely who must file what, when and where.

Campaign laws are being revised constantly through state and federal legislation, through rules and regulations of the Fair Political Practices Commission and the Federal Election Commission, and through decisions of the state and federal courts. It is possible that some of the provisions explained in this pamphlet may become obsolete within a matter of months. In fact, the courts and the Legislature have made several major alterations in the provisions of the California Act since 1974. In addition, Congress recently passed a major revision of the federal law, which the FEC has been interpreting through regulations. Nevertheless, this booklet will provide the information that most Californians will need to comply with the law. Sources of more detailed information are listed on the back page.

We welcome comments and suggestions that will help us produce an even more useful publication in future years.

THE EDITORS

Lance H. Olson is a Sacramento attorney specializing in political-reform law and the former editor and publisher of the Campaign Law Reporter.

CALIFORNIA LAW

What is the basic purpose of the 1974 Political Reform Act's campaign provisions?

According to the Act, the "receipts and expenditures in election campaigns should fully and truthfully be disclosed in order that the voters may be fully informed and improper practices may be inhibited." To accomplish that purpose the Political Reform Act requires candidates, committees supporting candidates for state and local office, and committees supporting or opposing ballot measures to file periodic reports disclosing detailed financial contribution and expenditure information.

Who must file

At what level of government does the Political Reform Act apply?

The Act applies to candidates, committees supporting or opposing candidates, elected officeholders, and committees supporting or opposing ballot measures at ALL levels of state and local government. Thus, candidates for school board as well as state office seekers are covered by the Act. Even elections to county central committees of political parties are included. And committees supporting or opposing county or city propositions are covered by the Act the same as committees involved with a statewide ballot-measure election. Persons and organizations supporting or opposing only federal candidates are governed by federal and not California law.

Who is an elected officeholder?

Any individual who holds a state or local elective office is an elected officeholder. This includes state, county, city, judicial, special district and county central committee offices.

Who is a candidate?

California law broadly defines "candidate" to include not only individuals who are listed on a ballot, but also individuals who

1. have qualified to have write-in votes counted,
2. have received a contribution or made an expenditure to get themselves nominated or elected to any elective office (even though they have not declared their candidacy for the office or later changed their minds),
3. have consented to permit other persons to receive a contribution or make an expenditure on behalf of themselves, or
4. are the subject of a recall election.

The definition of "candidate" includes not only winning but also losing and write-in candidates.

What is a committee?

Under California law there are three types of committees which must file campaign reports. An individual, firm, business, partnership, corporation, association, trust, company or any other organization or group of individuals acting together may become a committee, including a committee or subcommittee of any national, state or local political party. They must be acting, directly or indirectly, for the purpose of influencing voters for or against a candidate or any ballot measure. If they do any of the following they will become a committee:

1. **Recipient Committee** — raise $500 or more in a calendar year.
2. **Expenditure Committee** — independently spend $500 or more in a calendar year (as distinguished from contributing cash, checks, services, or something of benefit to a candidate or other committee) in support of or opposition to a candidate or measure.

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This type of committee must not make expenditures to or at the behest of a candidate or a committee.

3. **Major Donor** — cumulatively contribute or loan $5,000 or more in a calendar year to candidates or committees.

Most political committees are "recipient committees" in which individuals collect $500 for later use in an election. The "expenditure committee" is less common, but usually includes situations in which someone has decided to spent $500 of his/her own funds on behalf of a candidate or ballot measure independently of the candidate or campaign committee. Examples include purchase of a billboard or newspaper advertisement. A person does not become an "expenditure committee" by donating $500 in non-monetary contributions (example: office space) to a candidate or committee.

"Major donor" committees generally include those individuals or corporations contributing $5,000 or more directly to candidates or ballot-measure committees. The $5,000 need not be to one individual or group, but is the total contributed to all candidates (state or local) and committees in a calendar year.

Can one individual be a committee?

Yes. An individual may become either a "recipient committee," an " expenditure committee," or a "major donor committee."

Must the committee register?

Only "recipient committees" must register by filing a Statement of Organization (FPPC Form 410). And they must do so with the Secretary of State within 10 days after it has qualified as a committee. The Secretary of State will assign a number to the committee which must be used on all campaign reports. Unless it terminates, a recipient committee need register only once.

Can the committee amend its Statement of Organization?

Yes. In fact if the information on the Statement of Organization changes, the Secretary of State must be notified within 10 days in writing.

When can a committee terminate?

"Recipient committees" do not automatically terminate and may only terminate under the following circumstances:

1. they have ceased to receive contributions or make expenditures and do not anticipate receiving contributions or making expenditures in the future; and
2. they have eliminated or have declared that they have no intention or ability to discharge all their debts, loans received and other obligations; and
3. they have no surplus funds; and
4. they have filed all required campaign statements disclosing all reportable transactions.

"Recipient committees" are not considered terminated unless they file the necessary termination statement (Form 415) with the Secretary of State's Office. A copy must also be sent to the filing officer with whom campaign statements have been filed (city or county clerk).

"Expenditure committees" and "major donors" automatically terminate at the end of each calendar year but they may still be required to file campaign statements for election activities commenced before the end of that calendar year.

Must a committee have a treasurer?

Yes. ALL committees (recipient, expenditure and major donor) must have treasurers. No contribution or expenditure may be accepted or made by a committee without a treasurer. The treasurer has responsibility for registration, filing of campaign reports, receipt of contributions and approval of expenditures. In addition, the treasurer must keep detailed accounts, records, bills, and receipts of all transactions. Personal funds may not be mixed with campaign funds. Contributions received by agents of the committee (i.e., paid staff and volunteers working for the committee) must be promptly reported to the treasurer, no later than the closing date of the next statement. Finally, treasurers, and in some cases candidates and officeholders, must sign under penalty of perjury that they have read their campaign statements and verify that they are true and complete to their knowledge.

Must all candidates have committees?

No. There is no requirement that a candidate form a "recipient committee" on his or her behalf. However, the candidate must still file a campaign statement disclosing receipts and expenditures similar to a "recipient committee." If the candidate does form a committee (example: Friends of Jones) and it registers with the Secretary of State, he or she must either file a candidate campaign statement (even though all contributions received and expenditures made are disclosed on the committee's statement) or file a consolidated campaign statement (form 490) covering the activities of both the candidate and the committee.

Must persons attempting to qualify a ballot measure (local or state) meet special filing requirements?

Yes. Proponents of proposed state ballot measures (persons who request the attorney general to prepare titles and summaries) must file campaign statements whether they succeed in qualifying the measures or not, or whether they qualify as "committees."

However, supporters and opponents of local and state ballot measures who do not qualify as "committees" are not obligated to file. If they do qualify as "committees," they must file statements whether or not the measures qualify for the ballot.

What must be disclosed

Are specific forms available to be used by those required to file?

Yes. The following forms must be used:

FORM 400: **DECLARATION OF FINAL CAMPAIGN STATEMENT.** For use by committees as an attachment to a pre-election campaign statement when it is not anticipated that any additional contributions will be received or expenditures made in connection with the election.

FORM 405: **AMENDMENT TO CAMPAIGN DISCLOSURE STATEMENT.** For use by persons amending reports previously filed.

FORM 410: **STATEMENT OF ORGANIZATION:** This form must be filed by all committees which receive contributions of $500 or more during a calendar year ("Recipient Committees"). "Expenditure Committees" and "Major Donor Committees" do not file Statements of Organization.

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FORM 415: **RECIPIENT COMMITTEE TERMINATION STATEMENT.** For use by "Recipient Committees" which are no longer active.

"Expenditure" and "Major Donor Committees" do not use Form 415 because they terminate automatically at the end of each calendar year and must requalify in another year before they incur additional filing obligations.

FORM 420: **COMMITTEE CAMPAIGN STATEMENT.** Recipient committees which receive a cumulative contribution of $100 or more from a single source *must* file this form.

FORM 421: **VOLUNTARY REPORT OF NO ACTIVITY.** For use by committees which have no obligation to file in connection with an election and which have not been raising or spending money during a semi-annual filing period. The purpose of the voluntary report of no activity is to assist local filing officers, the Secretary of State and the public in keeping an accurate assessment of which committees are currently active.

FORM 430: **CANDIDATE'S CAMPAIGN STATEMENT.** This form must be used by all candidates and elected officeholders not eligible to use the short Form 470, and who choose not to use Consolidated Form 490.

FORM 450: **RECIPIENT COMMITTEE CAMPAIGN SHORT FORM.** This form may be used by "Recipient Committees" if no single source contributed $100 or more cumulatively since the committee filed its last post-election statement. If single-source contributions of $100 or more have been received, Form 420 or 490 must be used.

FORM 461: **EXPENDITURE AND MAJOR DONOR COMMITTEE CAMPAIGN STATEMENT.** For use by "Expenditure Committees" which make independent expenditures of $500 or more in a calendar year and "Major Donor Committees" which make contributions or expenditures of $5,000 or more in a calendar year.

FORM 470: **CANDIDATE AND OFFICEHOLDER CAMPAIGN STATEMENT SHORT FORM.** For use only by those candidates and elected officeholders who have neither raised nor spent more than $200, or in whose behalf not more than $200 has been raised or spent since the closing date of the most recent post-election statement or since the first reportable transaction if the candidate or officeholder has not previously filed a post-election statement.

FORM 480: **ABBREVIATED CAMPAIGN STATEMENT.** For use by all campaign committees which make contributions or expenditures totaling $250 or more to support or oppose a single candidate or measure in a local or special election when:

1. the election in which the committee is participating is not held on the same day as the direct state primary election (June 3, 1980) or general election (November 4, 1980); and
2. the committee is not controlled by one or more candidates in the local or special election; and
3. the principal political activity of the committee does not relate to any candidate or measure in the local or special election.

Form 480 is also for use by campaign committees which make contributions or expenditures totaling $250 or more to support or oppose the qualification of a state or local measure if the principal political activity of the committee does not relate to the qualification of that measure.

FORM 490: **CONSOLIDATED CAMPAIGN STATEMENT.** For use by a candidate filing jointly with one or more of the candidate's committees, or by committees filing jointly.

Where can the forms be obtained?

The forms can be obtained from the Secretary of State, Political Reform Division, P.O. Box 1467, Sacramento 95807; the FPPC, 1100 K St., Sacramento 95814 or 107 South Broadway, Los Angeles 90012, and from local county and city clerks.

What must be disclosed on a campaign statement?

In summary form, the total of all monetary contributions, unpaid loans, non-monetary contributions, payments, accrued expenses and cash on hand. In addition, separate schedules must be completed disclosing all monetary contributions from "committees" and others, all loans received and repaid (or forgiven), all non-monetary contributions, all pledges, all payments made to "committees" and to others, all accrued expenses, and all miscellaneous adjustments to cash position.

Must certain transactions be disclosed in detail?

Yes. All contributions received (monetary and non-monetary), all loans received, all pledges, all payments and all accrued expenses that total $100 or more in an election cycle must be itemized. Monetary contributions from committees of $100 or more must include the date received, name and address of committee, the committee's registration number, the amount and the cumulative amount to date. Monetary and non-monetary contributions and loans from others of $100 or more must list the date, name and address, occupation and employer of the contributor, amount and cumulative amount to date. Expenditures of $100 or more must include the name and address of the payee, description of services and the amount.

What is a contribution?

The word "contribution" includes a payment, gift, advance, dues, loan, enforceable promise of money or anything of value (pledge) unless it is clear from the surrounding circumstances that it is not made for a political purpose. It includes purchases of tickets for dinners and other fund-raising events, the candidate's own money, discounts or rebates not available to the general public, services of an employee donated by his employer, forgiveness of a loan or payment of a loan by a third party, and a transfer of anything of value from one committee to another committee.

Does "contribution" include voluntary personal serivces?

No. A "contribution" does not include volunteer personal services provided without compensation and payments made by an individual for personal travel expenses, if these payments are made voluntarily, without any understanding or agreement that they will be repaid.

How do you determine the value of a non-monetary contribution?

The fair market value of goods or services contributed to the campaign determines the amount of a non-monetary contribution.

If a contribution from a third person is delivered by someone other than an agent of the campaign (persons working in the campaign are generally considered agents), what must be reported?

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If someone other than an agent of a campaign delivers a contribution from someone else, both the original contributor and intermediary must be disclosed on the campaign statement regardless of the amount of the contribution. Thus, even a $10 contribution brought to the campaign by an intermediary of the donor must be itemized in full.

What is a pledge?

A pledge is an enforceable promise (i.e., contract) to make a contribution to the campaign. Although the law does not specify, to be enforceable the pledge probably would have to be in writing.

Is a loan always a contribution?

A loan received by a committee or candidate is a contribution unless the loan is by a commercial lending institution made in the ordinary course of business. In that case, it is not a contribution and the bank need not worry about becoming a "major donor" committee. Although the loan may not be a contribution, it must be reported by the candidate or committee if used for political purposes.

How should expenditures made to an agent or independent contractor (e.g., an advertising agency) be reported?

Expenditures to an advertising agency (or anyone else who does not provide the actual goods or services to the campaign) must be itemized to show both the person receiving payment from the campaign and the person performing the service. Thus, a payment of $5,000 to an advertising agency must show not only this expenditure, but also the entities actually providing the services (television and radio stations for advertising spots, for example). The amount paid to the entities providing the service must be itemized regardless of whether it is $100 or more. The payment can be reported as a single total amount paid to an agent if the agent is also filing a statement disclosing the expenditures. Overhead and normal operating expenses are exempt from this full-disclosure requirement.

What are accrued expenses?

Accrued expenses are those bills owed by the candidate or committee at the closing date for reporting campaign transactions. An expenditure is accrued when the goods or services are received.

What is meant by "cumulative amount"?

As noted above, certain campaign transactions (contributions, loans) require the disclosure of cumulative amounts. Cumulative amount means the combined amount contributed or loaned from a single source since the "closing date" of the last campaign statement (known as a post-election statement) of the most recent past election. (Note: The "off-year" statements, discussed below, due in July and January, are not post-election statements.) If a filer has never filed a post-election statement, then the cumulative amount would begin from the first reportable transaction and end on the closing date of the present statement.

If a person contributes less than $100 during the first reporting period of an election and later contributes enough to equal or exceed $100, must the contributor then be disclosed individually?

Yes. This is how the cumulative amount works. Once a person equals or exceeds $100 in a single election he must be individually disclosed on the next statement for that election. Monetary and non-monetary contributions from one person must be added together to determine the cumulative amount.

What is an election?

Each election (primary, general, special, runoff) is considered a separate election. Thus, the only relationship between successive campaigns (primary — general) is "carrying forward" the campaign's cash balance. In other words, each campaign begins anew in reporting receipts and expenditures.

What is a closing date?

At the end of each reporting period in an election (there are three in each election) a date is set through which all campaign transactions must be reported. Generally the closing date is three days prior to when the report is due.

Can campaign reports be amended?

Yes. Form 405 is specifically for this purpose. Amending an incomplete or incorrect report is considered evidence of good faith.

When to file statements

How many campaign statements must be filed in a June primary or November general election of even-numbered years for candidates and committees?

In even-numbered years, elected officeholders, candidates and/or committees supporting or opposing candidates or ballot measures must file two pre-June primary election statements, one post-primary statement, two pre-November general election statements and one post-general election statement. The candidates and supporting committee and ballot-measure committee filing deadlines for the 1980 primary and general elections follow:

PRIMARY ELECTION — JUNE 3, 1980

BEGINNING DATE	CLOSING DATE	FILING DEADLINE
Closing date of last election statement if filed for an election from 7/1/79 through 12/31/79		
OR		
1/ 1/80	4/23/80	4/30/80
4/24/80	5/19/80*	5/22/80
5/20/80	6/30/80	7/31/80

GENERAL ELECTION — NOVEMBER 4, 1980

BEGINNING DATE	CLOSING DATE	FILING DEADLINE
7/ 1/80	9/23/80	9/30/80
9/24/80	10/20/80*	10/23/80
10/21/80	12/31/80	2/1/81

*See below for special reporting requirement for late contributions of $1,000 or more.

What are the filing dates for most other elections (primarily local elections that do not have runoff elections)?

Candidates, supporting committees and committees

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supporting or opposing ballot measures for elections not held on the first Tuesday after the first Monday in June and November of even-numbered years must file statements not later than 40 days prior to the election, not later than 12 days prior to the election and not later than 65 days after the election.

The closing date for each of the pre-election campaign statements is three days prior to the filing deadline. For the post-election report, the closing date is seven days prior to the deadline.

Do separate filing dates apply to special elections and runoffs?

Yes. A different schedule for the filing of campaign statements must be followed in the case of any other election for an office for which there is, or may be, a runoff within 60 days of the first election.

The pre-election statements are due:
- 40 days prior to the first election;
- 12 days prior to the first election;
- 12 days prior to the runoff, special or general.

The post-election statement is due:
- 65 days after the runoff, special or general.

The "closing date" for the three pre-election statements is three days before the filing deadline. The closing date for the post-runoff statement is seven days before the due date.

A candidate who is unsuccessful in the special primary election and committees supporting only unsuccessful candidates need not file the campaign statement between the primary and the runoff. But the unsuccessful candidate and the committees must file a post-election statement no later than 65 days after the final election. If the entire election is decided in the first election, the post-election statement is due no later than 65 days from that date.

Must multi-support committees (committees which contribute to several candidates and ballot measures) file in each election in which they contribute?

Yes, and they generally must file reports for each period during that election. However, if the multi-support committee contributes during a pre-election reporting period, files for that period and determines it will receive no more contributions and make no further expenditures related to the election, it may designate the report a "final statement" (form 400). By doing this, the committee makes it unnecessary to file any subsequent pre-election or post-election statements related to that election. Instead of filing a regular campaign statement (form 420 or 490), the committee may file an abbreviated statement (form 480) if it is filing in a local or special election and contributions or expenditures equal $250 or more. The "final statement" becomes the post-election statement for future reporting periods unless the committee filed an abbreviated campaign statement (form 480), in which case the cumulative total requirement begins with the last post-election report.

Must contributions received or given in the last two weeks before an election be reported?

Yes. If the contributions or loans aggregate $1,000 or more and are given or received after the closing date of the last pre-election report and before the election, they must be reported within 48 hours. Both the donor (if a candidate or a committee) and the recipient must report the date, amount and full identification of the contribution by telegram, mailgram, or personal delivery (not by mail) to the filing officers where campaign reports were filed. The recipient must also report the name, address, occupation and employer of the contributor.

Must campaign statements be filed at times other than during elections?

Yes. California law requires two semi-annual "off-year" reports to be filed by elected officeholders during non-election years. The officeholder must file even though he or she has not received a contribution nor made an expenditure. However, if the officeholder filed a campaign statement in connection with any other election during the preceding six-month period, he or she need not file an "off-year" statement.

All candidates who are not officeholders are required to file "off-year" campaign statements if they have received contributions, made expenditures or given their consent for any other person to receive contributions or make expenditures with the aim of bringing about their nomination or election to any elective office. If they were required to file campaign statements in connection with any election or elections held during the six-month period, they need not file an "off-year" statement for that period.

All committees, "recipient," "expenditure" and "major donor," supporting state and local candidates or supporting or opposing ballot measures must file "off-year" campaign statements if they have received contributions or if they have made expenditures in support of or opposition to candidates or measures. If they were required to file campaign statements in connection with any election or elections held during the six-month period, they need not file an "off-year" statement for that period.

Note that any committee which filed an abbreviated campaign statement (form 480) in connection with an election held during the "off-year" is not relieved from filing an "off-year" statement. For January 1 - June 30, the filing deadline for off-year statements is July 31; for July 1 - December 31, the deadline is January 31.

Are there exceptions to the number of campaign statements which must be filed?

Yes. Elected officeholders whose salaries are less than $100 a month and judges need not file "off-year" campaign statements unless they receive contributions or make expenditures during the period. Incumbent candidates for judicial offices whose names do not appear on the ballot because they are unopposed need file only a single post-election statement after the general election. This statement must cover both the primary and general election and must be filed by January 31st, with a closing date of December 31st. Committees supporting or opposing such candidates, however, must file pre-election and post-election campaign statements. A candidate for county central committee who receives no contributions need file only one statement by July 31st following the election, with a closing date of June 30th; if the candidate has received contributions for that election, the candidate must file three statements, two before and one after the election.

What are the filing deadlines for proponents and committees supporting or opposing the qualification of a measure?

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Committees supporting or opposing the qualification of a measure and proponents of a state measure must file campaign statements not later than 35 days after the deadline for filing petitions or the date of notification that the measure has either qualified or failed to qualify, whichever date is earlier. The closing date for such a statement is 7 days prior to the date when the statement is due.

Where to file statements

Where must campaign statements be filed?

Campaign statements should be filed as follows: Statewide candidates, Supreme Court justices, state central committees of political parties, and supporting committees, or committees supporting or opposing statewide measures: Original plus one copy with the Secretary of State, P.O. Box 1467, Sacramento, CA 95807; two copies with the registrar-recorder of Los Angeles County, Campaign Reporting Unit, 5557 Ferguson Drive, Los Angeles, CA 90022; two copies with the registrar of voters of City and County of San Francisco, Campaign Statements, Room 155, City Hall, San Francisco, CA 94102.

Candidates for Legislature, Appellate and Superior Court, and State Board of Equalization and supporting or opposing committees Original and one copy with the Secretary of State; two copies with the clerk of the largest county by population which in whole or part is included in the election district (or officeholder's district), and two copies with the clerk in candidate's county of residence or the domicile of the donor committee (out of state file in Los Angeles). No more than two copies go to any one county. Committees supporting more than one candidate file only in the largest county represented and not in the largest county of each candidate's district. A committee's domicile is the address on the campaign statement.

Other multi-county candidates and measures and supporting committees (but not statewide): Original and one copy with the clerk of the county having the largest population; two copies with the clerk of the county where the candidate (officeholder) resides or where the committee is domiciled (see domicile rule above).

Single-city candidates and measures and supporting committees Original and one copy with the city clerk.

Single-county candidates and measures and supporting committees: Original and one copy with the county clerk.

County central committees: Original and one copy with the Secretary of State; two copies with the county clerk.

How may the statements be filed?

Campaign statements may be delivered by hand, but they must arrive by the deadline. Statements sent by first-class mail are considered received on the date of deposit in the mail. If lost in the mail, the candidate or committee must possess a post-office receipt showing that the report was mailed.

Prohibitions

Are anonymous contributions prohibited?

Donors cannot make anonymous contributions of $100 or more in a calendar year to a single campaign. Any anonymous contribution of $100 or more received by a candidate or committee must be turned over to the Secretary of State.

Does California law limit cash transactions?

Yes. No monetary contribution or expenditure of $100 or more may be made in cash. Transactions of $100 or more must be made by check or other instrument containing the payee's or donor's name. The fair market value of all non-monetary (in-kind) contributions of $100 or more must be reported in writing by the contributor to the recipient, if the recipient makes a written request.

Are lobbyist contributions prohibited to state candidates?

Not any longer. The California Supreme Court has struck down that part of the law which previously prohibited lobbyist contributions to state candidates. Lobbyists may also contribute to candidates in local and federal elections and to ballot-measure campaigns.

What must be printed on campaign materials?

The California Elections Code requires that the name and address of the person responsible or, in the case of committees registered with the Secretary of State, the name and address of the committee be on all printed campaign materials (brochures, envelopes, letterheads, lawn signs, etc.).

Are there rules governing mass mailings by campaigns?

Yes. All mass mailings (200 or more pieces of identical material mailed in a calendar month) must show on the envelope and at least one insert piece the sender's name and address in a six-point type or larger. A post office box is permitted if the committee address is a matter of public record with the Secretary of State. Copies of mass mailings in support of or opposition to a state candidate or state ballot measure must be sent to the Fair Political Practices Commission on the same day it is mailed to the general public.

Mass mailings may be mailed by bulk rate, postage meter or postage stamp.

Are there limitations on what anyone may contribute to a candidate or ballot measure campaign?

California law imposes no restrictions on how much any one person or organization may give to a politial campaign at the state or local level. Unlike federal law, corporations and labor unions are not prohibited from contributing to state or local races by state law. Nor are candidates limited in what they may give to themselves. However, some local jurisdictions have restricted the amount persons, corporations and unions may contribute in local elections.

Does California law restrict expenditures by campaigns?

No. Candidates and supporting committees may spend unlimited amounts in the election.

Miscellaneous

Must candidates and committees be concerned with tax considerations?

Yes. The diversion of campaign funds to personal use will make it taxable as income. And any income over $100 per year (interest, dividends, sale of assets, etc.) earned from contributions requires the candidate, officeholder or committee to pay income taxes. Also, certain Internal

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Revenue Service rules must be followed to allow contributors to take the tax credit permitted under federal law.

Will campaigns be audited?

Audits and investigations must be made with respect to the reports and statements of:

Each statewide, supreme court, court of appeal, or Board of Equalization candidate in a direct primary or general election for whom it is determined that $25,000 or more in contributions or expenditures have been raised or made, whether by the candidate or by committees controlled by the candidate. Each statewide candidate whose contributions and expenditures are below $25,000 shall be subject to audit on a 10-percent random basis.

Each candidate for the Legislature or superior court judge in a direct primary or general election shall be subject to audit by random selection if it is determined $15,000 or more in contributions or expenditures have been received or made, whether by the candidate or by committees controlled by the candidate. Random selection shall be 50 percent of the Senate and Assembly districts and judicial offices contested in an election year.

Each candidate in a special primary or legislative runoff election for whom it is determined that $15,000 or more in contributions or expenditures have been received or made, whether by the candidate or committees controlled by the candidate.

Each controlled committee of any above candidate who is being audited.

Each committee (other than major donor) primarily supporting or opposing an above candidate being audited if the committee spent more than $10,000.

Each committee (other than major donor) whose participation is primarily in support of or opposition to a state measure if the committee spent more than $10,000.

Each committee (other than major donor or those primarily supporting or opposing a candidate or measure) if the committee raised or spent more than $10,000 in a calendar year supporting or opposing candidates or measures shall be subject to audit by a random selection of 50 percent of such committees.

Must candidates disclose certain personal financial activities?

Yes. California law requires financial disclosure of investments and real property by candidates and income, investments and real estate holdings by officeholders at both state and local levels.

Are campaign laws at other levels of government applicable?

Yes. Many California local governments have enacted comprehensive campaign ordinances which add regulations beyond the Political Reform Act. The local ordinances should not be overlooked.

FEDERAL LAW

What is the basic purpose of the Federal Election Campaign Act?

The federal law requires candidates, political committees and, in some instances, individuals to keep full and accurate records of political financial transactions and to file periodic public reports disclosing these transactions. The law also sets limits on the amount of money individuals and groups may contribute to federal candidates. It further provides public financing for qualifying presidential campaigns.

Who administers the Federal Election Campaign Act?

The Federal Election Campaign Act is administered by the Federal Election Commission (FEC), 1325 K St. NW, Washington, D.C. 20463. In addition, the clerk of the House of Representatives and the secretary of the Senate, Washington, D.C. 20510, have filing responsibilities.

Who must file

Who must file campaign statements under federal law?

Only candidates seeking nomination or election to federal office (President, Vice-President, United States Senate and House of Representatives), political committees supporting those candidates and certain private groups involved in federal elections are governed by the filing requirements of the Federal Election Campaign Act.

Are candidates for state or local office and their committees required to file federal campaign statements?

No. Note, however, that if receipts and expenditures for state or local candidates are not segregated from those for federal office seekers, all must be reported under federal law.

What constitutes an "election" under federal law?

The term election includes not only general, primary, special and runoff elections, but also conventions, caucuses and preference primaries.

Who is a federal candidate?

An individual who seeks nomination or election to a federal office, and such individual has received contributions or made expenditures in excess of $5,000 or has consented to that level of campaign activity on the individual's behalf, is considered a candidate. Thus, even if a candidate appears on the ballot, he or she need not register or report until the dollar threshold is met. However, once the individual reaches the $5,000 figure, all prior contributions and expenditures become subject to the reporting and limitation requirements of the Act.

Are federal candidates required to designate campaign committees for reporting purposes?

Yes. A candidate for federal office (other than a nominee for vice president) must designate and authorize a political committee as the "principal campaign committee" within 15 days after attaining candidate status. The candidate may also designate other committees, known as

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"authorized committees," to receive or make contributions. Candidates are considered to be agents of their authorized committees, and therefore must report all contributions and expenditures through their committees. The principal campaign committee and other authorized committees must include the names of the candidates in the committees' names. In addition, the principal campaign committee may not support more than one candidate (except for joint fundraising purposes), although contributions of $1,000 or less by a candidate's authorized committees to other candidates are permitted.

What is a political committee?

Federal law defines these three types of political committees:

1. Any committee, club, association or group of persons receiving contributions or making expenditures totaling more than $1,000 for federal elections in a calendar year (similar to California's recipient committee).

2. A Political Action Committee (known as a separate segregated fund) established by a labor union or corporation, regardless of the level of contributions or expenditures.

3. Any local committee of a political party which receives contributions or makes "exempted" expenditures (buttons, bumper stickers, voter registration, get-out-the-vote and the like) over $5,000 for federal elections during a calendar year, or which makes contributions to candidates or "non-exempt" expenditures over $1,000 for federal elections during a calendar year.

Federal law does not define as committees persons or groups which directly contribute money (California "major donor committee") or which independently make expenditures on behalf of a candidate ("expenditure committee" in California). However, these persons may still have to report. The FEC has sub-defined several types of political committees, including:

1. **Principal campaign committee.** "Principal campaign committee" means the political committee designated by a candidate as his or her principal campaign committee.
2. **Single candidate committee.** "Single candidate committee" means a political committee other than a principal campaign committee which makes or receives contributions or makes expenditures on behalf of only one candidate.
3. **Multicandidate committee.** "Multicandidate committee" means a political committee which (i) has been registered with the FEC, Clerk of the House or Secretary of Senate for at least 6 months; (ii) has received contributions for federal elections from more than 50 persons; and (iii) (except for any state political party organization) has made contributions to 5 or more federal candidates.
4. **Party committee.** "Party committee" means a political committee which represents a political party and is part of the official party structure at the national, state or local level.

In addition, the FEC has determined that all political committees are either authorized committees or unauthorized committees. An "authorized committee" is a political committee which is empowered in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate. A principal campaign committee is authorized. An "unauthorized committee" is a political committee which has not been authorized in writing by a candidate to solicit or receive contributions or make expenditures on behalf of the candidate.

Separate Segregated Fund Committees (Political Action Committees estabished by unions and corporations) must use the name of the connected or sponsoring organization in the name of the committees.

Must a political committee have a treasurer?

Yes. Contributions may not be received when there is a vacancy. Further, all expenditures must be authorized by the treasurer or appointed agents. The treasurer is responsible for keeping an account of all contributions and expenditures, and for the timely and accurate filing of reports. Personal funds may not be co-mingled with campaign funds. Contributions over $50 must be forwarded to the treasurer or agent within 10 days of receipt, with the contributor's name and address. The committee must also designate an assistant treasurer.

Must political committees register?

Yes. All authorized committees must register within 10 days after designation by a candidate. Corporate and union PACs must register within 10 days of establishment. All other committees must register within 10 days of qualification as a political committee. A committee registers by filing a Statement of Organization.

Political committees supporting only House candidates and a House candidate's authorized committees, including the prinicpal campaign committee, register with the clerk of the House. Political committees supporting only Senate candidates and a Senate candidate's authorized committees, including the principal campaign committee, register with the secretary of the Senate. All other committees register with the FEC. Once a committee registers, it will be issued an identification number.

Must a person (other than a political committee or candidate) file a campaign statement with the Federal Election Commission?

Any individual, association, partnership or group which makes an independent expenditure (other than to a political committee or candidate) of more than $250 in a calendar year must file a campaign statement with the FEC. The statement contains information regarding the nature of the expenditure.

An independent expenditure is one which is for a communication expressly advocating the election or defeat of a candidate which is not made in cooperation or consultation with a candidate or authorized committee of that candidate.

While this provision is similar to California's "expenditure committee," a person who makes more than a $250 contribution or expenditure is not a "committee" under federal law. If the person contributes the money directly to the federal candidate or political committee he need not file a campaign statement regardless of the amount.

Note: A political committee may also make independent expenditures and, if it does so, must report these on a separate schedule of its campaign report.

What must be disclosed

Are forms available for persons required to file?

Yes. Forms are available from the FEC, Clerk of the House

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and Secretary of the Senate. Because Congress amended the Federal Campaign Act in late 1979, the FEC has been required to revise many of its forms for the 1980 elections. It is anticipated that the FEC will adopt the following forms:

STATEMENT OF ORGANIZATION: Used to register committees supporting federal candidates.

STATEMENT OF CANDIDATE: Once attaining federal candidate status, individuals use this form to register and authorize his or her principal campaign committee.

REPORT OF RECEIPTS AND EXPENDITURES: Used by political committees in reporting all financial transactions including contributions and expenditures. There will be separate forms for presidential, congressional and unauthorized political committees.

REPORT OF RECEIPTS AND EXPENDITURES, SHORT FORM: This form may be used by any candidate or principal campaign committee in cases where gross receipts or expenditures do not exceed $50,000 per election. The form may not be used if the candidate has authorized committees other than the principal campaign committee.

REPORT OF INDEPENDENT EXPENDITURES OR CONTRIBUTIONS BY PERSONS: This is the form used by every person (other than a political committee or candidate) who makes independent expenditures or contributions in an aggregate amount in excess of $250 within a calendar year.

What information is required to be reported by a political committee?

In summary form, the total of all contributions, expenditures and cash on hand.

By item, all transfers and contributions to and from other political committees or federal candidates regardless of the amount.

By item, all contributions over $200 within a calendar year — incuding contributor's name, mailing address, occupation, employer and date of contribution. (In addition, in-house records must be kept of all contributions over $50 — including name, address and date of contribution.)

By item, all loans, including guarantors, and loan repayments, including date, name, address, occupation and employer, regardless of the amount.

By item, all rebates, refunds, dividends and interest over $200 within a calendar year — including name, address, date and amount.

By item, all expenditures for operating expenses over $200 during a calendar year — including the recipient's name, address, date and amount and purpose of expenditure.

The amount and nature of debts owed to or by the committee.

What constitutes a contribution under federal law?

Any gift, subscription, loan, advance or deposit of money, or anything of value, made for the purpose of influencing federal elections is a contribution. A "contribution in-kind," such as the use of office space, machinery, equipment, or the help of individuals donated by or paid for by a person other than the committee or candidate is also a contribution.

How are non-monetary or in-kind contributions treated?

Non-monetary contributions, such as lending an automobile, employee, typewriter or giving paper and stamps, are subject to the same limitations and reporting requirements as monetary contributions. Non-monetary contributions should be evaluated at their usual and normal charge and reported in excess of $200.

Are loans always contributions?

A loan is generally a contribution to the extent that the obligation remains outstanding. However, a loan of money by a national or state bank made in the ordinary course of business is not a contribution (although it must still be reported). To be considered made in the ordinary course of business, the loan must be in writing, subject to a due date or amortization schedule and bear the usual interest rate.

Are there other exceptions to the definition of contributions?

Yes, including voluntary personal services; unreimbursed travel expenses by campaign volunteers up to $1,000 per election; rental value of one's home; cost of invitations, food and beverages voluntarily provided at an individual's home up to $1,000 per election, and legal and accounting services rendered for the purpose of complying with federal election laws.

What do expenditures include?

Expenditures that must be reported include payments of money, transfer of funds to another political committee, repayment of loans, and written contracts to make expenditures.

What is "cumulative amount" under federal law?

"Cumulative amount" means the amount contributed or expended since January 1st of the present calendar year. Each calendar year is considered a separate reporting responsibility, and the only carry-over to a successive calendar year is the beginning cash balance.

Unlike California reporting requirements, which only require a campaign statement to list detailed information about contributors who give $100 or more in *every election*, the similar (not identical) reporting requirements for *over* $200 contributions in the federal law require that the information must be given once the over-$200 figure is reached *in a calendar year*, even though many elections may have occurred. Consequently, if a contributor gives $60 in a special election, $60 in the primary and $81 in the general election, all to the same candidate, then the detailed information must be given on this contributor. This would *not* be required in California since each election would have been handled separately.

If a contributor has already been listed in a previous report, and additional contribution(s) are received from that contributor *within the same calendar year*, the contributor must be listed on the prescribed reporting forms using the same name as previously reported and showing the cumulative amount.

When to file statements

How many reports must be filed in a federal election?

Candidates are no longer required to file separate reports, Instead, all contributions and expenditures are reported by the authorized committees. In election years, committees authorized by House and Senate candidates file quarterly reports (15 days from the close of the quarter), a pre-

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primary report (12 days prior, or 15 if by mail), a pre-general report (12 days prior, or 15 if by mail), and a post-general report (30 days after the election). In non-election years, authorized committees file semi-annual reports due July 31 and January 31.

Monthly filing is required in an election year for all authorized committees of a presidential candidate if the committees have received or anticipate receiving $100,000 or spent or anticipate spending $100,000. All other presidential committees in election years are required to report quarterly. In non-election years, authorized committees of presidential candidates may elect to report either quarterly or monthly.

All other political committees may either file monthly in all years or in election years, file quarterly pre-primary and pre-general election reports and a post-general report, and in non-election years, semi-annual reports.

REPORTING PERIODS FOR REGULAR 1980 ELECTIONS

DEADLINE	PERIOD COVERED
January 31, 1980	last report — December 31, 1979
April 15, 1980	January 1 - March 31, 1980
May 22, 1980*	April 1 - May 14, 1980
June 3, 1980**	Primary Election
July 15, 1980	May 15 - June 30, 1980
October 15, 1980	July 1 - September 30, 1980
October 23, 1980*	October 1 - October 15, 1980
November 4, 1980**	General Election
December 4, 1980	October 16 - November 24, 1980

*If filed by mail, deadline is three days earlier.

**See below for reporting of contributions of $1,000 or more within 48 hours of receipt.

Must "last-minute contributions" be reported in a special manner?

Yes. Contributions of $1,000 or more received by a candidate or his/her authorized committee subsequent to the 20th day but more than 48 hours before an election must be reported by the candidate's principal campaign committee within 48 hours by hand-delivered letter or by telegram disclosing the contributor's name, occupation and employer, amount, date and office sought.

Independent expenditures of $1,000 or more during the last 20 days must be reported within 24 hours.

Where to file reports

Where must campaign reports be filed?

Authorized committees of a candidate file reports with the candidate's principal campaign committee. The principal campaign committee then files a single report for that campaign. House candidates' principal campaign committees file an original with the clerk of the House of Representatives, Washington, D.C. 20515. Senate candidates' principal campaign committees file an original with the secretary of the Senate, Washington, D.C. 20510. All other committees file an original with the Federal Election Commission, 1325 K St., NW, Washington, D.C. 20463 including multi-support committees and persons making independent expenditures. The House clerk and Senate secretary immediately forward copies of all their reports to the FEC. In addition, a copy of all reports must be filed with the Secretary of State of each state in which candidates are supported.

How may reports be filed?

In all cases except for the pre-election report (12 days prior to an election), reports may be hand-delivered or sent by registered OR certified mail and postmarked by the filing deadline. Pre-election reports must be hand delivered 12 days before the election or postmarked not later than the 15th day before the election.

Prohibitions

Does federal law limit cash contributions?

Yes. No one may make a cash contribution which totals more than $100 to a federal candidate.

Does federal law impose contribution limitations on individuals?

Yes. There is a $1,000 limit on the amount an individual may contribute to a single federal-office candidate's authorized committee (including the principal campaign committee) in each primary and general election campaign (each presidential primary is treated as a single election as are runoff and special elections). Also there is a $25,000 limit on the total amount an individual may contribute to all federal candidates in a "calendar" year. In addition, individuals may not contribute over $20,000 to national party committees or over $5,000 to any other political committee.

How do the contribution limitations apply to spouses?

Even though a spouse in a single-income family has contributed $1,000 to a candidate for an election, the other spouse may similarly contribute $1,000 to the same candidate for the same election.

What are the contribution limitations imposed on political committees?

The limitations are the same as for individuals. However, multi-candidate committees may contribute up to $5,000 to a federal candidate in a single election.

Are campaign expenditure limitations imposed by the federal law?

No. As originally adopted the law did limit campaign expenditures. However, the United States Supreme Court in *Buckley v. Valeo* held that such expenditure ceilings impose "direct and substantial restraints on the quantity of political speech" and as a result violate the First Amendment to the United States Constitution. But presidential candidates who accept public subsidies for either the pre-nomination or the general-election campaign must abide by the spending limits found in the Federal Election Campaign Act.

Are there personal-contribution limitations imposed on the candidate?

No. Spending money on your own campaign has been defined as an expenditure. Thus, candidates (except for presidential candidates using public financing) may spend unlimited amounts of personal funds. (Note: The FEC has complex regulations defining personal funds.)

Does federal law impose limitations on the total amount

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persons may spend independently but on behalf of federal candidates?

No. Because of the United States Supreme Court's *Buckley* decision there is no limitation on a truly independent expenditure made on behalf of a federal candidate. Thus, there are no limits on what a person may spend, for example, for direct purchase of newspaper ads to influence an election, if done independent of the candidate. (See above for reporting of independent expenditures by persons.)

Are contributions or expenditures by corporations or labor organizations on behalf of federal office seekers allowed?

No, but corporations and labor organizations are permitted to establish separate political funds (commonly called PACs) if the donations are voluntary. However, certain political expenditures are allowed. For example, funds may be spent for communication by a corporation or union to its stockholders or members on any subject, and non-partisan registration and get-out-of-the-vote efforts aimed at stockholders or union members are permitted.

Costs of communications expressly advocating the election or defeat of a candidate must be reported if over $2,000 per election.

What other restrictions are applicable?

Contributions by national banks, government contractors and foreign nationals (who do not have permanent residences in the U.S.) are all prohibited, as are anonymous contributions of $50 or more.

Is campaign literature for a federal office required to contain certain information?

Yes. All literature and advertisements soliciting contributions and all communications advocating the election or defeat of a federal candidate must identify the person or committee which paid for the solicitation or communication. If the solicitation or communication is not authorized by the candidate or his/her committee, it must so state.

Does the Federal Elections Act place a limit on the amount of honoraria elected federal officials may receive?

Yes. Acceptance of honoraria for individual speeches, appearances or articles in excess of $2,000 and more than $25,000 in total honoraria in a calendar year are prohibited.

Miscellaneous

Does the federal law require candidates and officeholders to disclose their personal finances under so-called conflict-of-interest statements?

No. Unlike California law, federal candidates and office-holders are not required to file public financial disclosure statements. United States senators and representatives do, however, file confidential disclosure statements under Senate and House rules (as must candidates for Senate).

Must federal candidates and political committees be concerned with tax considerations?

Yes. The diversion of campaign funds to personal use will make it taxable as income. And any income over $100 per year (interest, dividends, sale of assets, etc.) earned from contributions requires the candidate, officeholder or committee to pay income taxes. Also, certain Internal Revenue Service rules must be followed to allow contributors to take the tax credit permitted under federal law.

Sources of detailed information

STATE

Fair Political Practices Commission, P.O. Box 807, Sacramento 95804.

Campaign Law Reporter (500-page loose-leaf state and federal manual, monthly newsletter, interpretation of FPPC and FEC regulations and opinions, special bulletins and telephone quick-query service) 1024 Tenth St., Sacramento 95814.

Regulations: California Administrative Code, TITLE 2, DIVISION 6. Department of General Services, Documents Section, P.O. Box 20191, Sacramento 95820.

Continuing Education of the Bar, 2150 Shattuck Ave., Berkeley 94720, official reporter of Fair Political Practices Commission opinions.

FEDERAL

Federal Election Commission, 1325 K St., NW, Washington, D.C. 20463.

Campaign Practices Reports (manual and monthly newsletter), 2814 Pennsylvania Ave., NW, Washington, D.C. 20007.

Campaign Law Reporter (see above).

Other information is available in the Federal Register and the Congressional Record.

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The Carpenter with the anti-Brown hammer

By Larry Peterson

Last September, Jerry Brown may have thought he was leaving California controversies behind as he flew to New Hampshire to promote his then-undeclared presidential candidacy. But state Senator Paul Carpenter had other ideas. When readers of the *Manchester Union Leader* opened their Sunday papers, they found a full-page advertisement placed by the Santa Ana Democrat. The ad blasted Brown for his ties to liberal activists Tom Hayden and Jane Fonda. It also attacked Brown for his naming of Hayden and Fonda to state posts and his appointment of Edison Miller and Chris Matthews to county supervisor posts in Orange and Santa Cruz counties.

Brown chose to ignore Carpenter's ad, but it is becoming more difficult to ignore the 52-year-old freshman senator. Carpenter is a study in contrasts — a soft-spoken man with a doctorate in psychology who emerged last year in a grandstanding role as the state's chief Brown-baiter. The boyish-looking senator, a native of Iowa, has made an occasional political stumble, but he has demonstrated an almost uncanny knack for landing on his feet.

The ad Carpenter bought in New England is typical of the recent stunts that have boosted his reputation as one of the Legislature's leading headline hunters. A few examples:

- His initiative petition drive, opened last month, to amend the constitution so that the Legislature may veto any state agency regulation. His organization, called Californians Against Bureaucracy, will try to get the initiative on the November ballot.
- His bill to fine Brown and other constitutional officers $175 a day after they have been out of the state on personal business more than 21 days in any given year — an obvious slap at the governor's transcontinental electioneering.
- His offer to seek reconsideration of the Senate's rejection of Brown's appointment of Fonda to the state Arts Commission if she would apologize to the Senate, former American prisoners of war and their families for anti-Vietnam War statements she made during a wartime visit to Hanoi.
- His resolution calling on Brown to apologize to the Senate for his description of senators' rejection of Fonda as "gutless."
- His sponsorship of a rally (which drew only 6,300 persons to the 92,000-seat Los Angeles Coliseum) to demonstrate support for the release of Americans held hostage in Iran. Carpenter also sent a strongly worded telegram combined with a statewide newspaper ad blitz expressing essentially the same message to the Ayatollah Khomeini.
- His subpoenas to seven aides to state Superintendent of Public Instruction Wilson Riles, all of whom already had said they would testify voluntarily at a Carpenter-initiated Senate Education Committee inquiry. (Carpenter backed off after being told by the Legislature's legal advisers that subpoeneed witnesses would have to be given immunity from prosecution. He had charged that up to $100,000 in tax funds were spent to organize voters and lobby the Legislature on behalf of state school programs.)

Such conspicuous but largely ineffectual efforts contrast sharply with Carpenter's earlier style during his term in the Assembly and three years-plus in the Senate. Current and former lawmakers from both parties describe his past performance as quiet but articulate, low-key but effective. Chula Vista Democratic Assemblyman Waddie Deddeh terms Carpenter "very well-versed in the subject matter he's faced as a legislator . . . Not too many people understand educational finance as well as he does." Orange County Republican Assemblyman Bruce Nestande said Carpenter "just quietly keeps plugging away and ends up being effective."

High marks for horsetrading

Several lawmakers give Carpenter high marks for the kind of behind-the-scenes horsetrading that can make a bill move. "He'll stick with something and grind you down," a former Democratic legislator says. "He'll present an idea over and over until it finally goes through. But he doesn't threaten you. He tells you he would like to help you with your bills. You definitely understand that if you would like

PHOTO BY SHERRY REMEZ-WAGNER

Larry Peterson is a political writer for the Orange County Register.

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An urgent message to all Americans from Senator Paul Carpenter —

Are you going to let Tom and Jane deliver us to OPEC and the P.L.O?

Tom Hayden and Jane Fonda want to shut down nuclear plants. If their anti-nuclear campaign succeeds in shutting down America's nuclear energy production, America will be at the mercy of the oil-rich Arabs. The Hayden/Fonda campaign could leave us subject to the demands of terrorists such as the P.L.O. Are we going to let them do this to us?

Oil Is The Ransom

The threat of blackmail hangs over us because of our energy needs.

You don't have to sit in many gas lines to realize that America survives on energy.

The Arab-backed OPEC oil cartel knows it. So does the militant P.L.O. This is where the threat of energy blackmail is the ugliest.

OPEC and the P.L.O. would love to see America totally dependent on their high-priced oil. Because then, America's destiny would be at the mercy of the Arab oil barons and their militant backers.

Luckily, the United States has an "ace in the hole." It's called nuclear energy. The one factor that keeps us from falling under an Arab stranglehold is our ability to generate nuclear power as an alternative to total dependence on their oil.

Yet, in the face of this knowledge, Jane Fonda and Tom Hayden are advocating the shutdown of our only practical means of freedom and future energy independence.

Who Is Helping The Arabs Cripple Us?

Funded by her movie millions, Jane Fonda and husband Tom Hayden lead the campaign against free enterprise and energy independence.

The latest Fonda/Hayden power play is a nationwide, 50-city campaign against nuclear energy.

This well-organized, well-financed road show is supposedly designed to eliminate nuclear power as a viable source of energy for the U.S.

What Fonda And Hayden Won't Tell You

When Fonda and Hayden were challenged to debate two eminent nuclear scientists, they quickly backed down.

Why?

Do you suppose there's something they don't want us to know? . . .

. . . Like the fact that:

- Not one person has ever died as a direct result of the production of nuclear energy.
- Nuclear energy has been safely generated in the U.S. for over 25 years, providing us with needed electricity.
- More radiation is emitted by using coal to generate one kilowatt hour than generating that same kilowatt hour with nuclear energy.
- Western nations (and the Soviet Union) are increasing their nuclear generating capacity because they don't want to be the victims of the P.L.O./OPEC blackmail.
- According to Clarence E. Larson, former Chairman of the Atomic Energy Commission, "A person living every minute at the boundary of one of our nuclear plants—drinking the discharge water, breathing the air and eating fish from the same water—would have to remain there for more than 200 years to get the same radiation exposure effects as will result from a single chest x-ray."

What's In It For Tom and Jane?

Clearly, America is being had. The P.L.O./OPEC confederation want our money, and they want to dictate our future.

The Hayden/Fonda team want to expose our jugular to the Arabs by killing nuclear energy, and keep us dangerously dependent upon Arab oil. Why? What will Fonda and Hayden get out of this?

Simple. They want nothing less than to radically alter the social, economic, and political fabric of America. Hayden has said so himself.

He once stated that for his brand of "democracy" to rise into power, the "middle class must be neutralized and a relationship must be developed with the working class . . . a depression would be helpful."

Shutting down nuclear energy would plunge us into an unrealistic dependence on Arab oil, financially wreck the middle-class American, damage business, and cause inflation to rise to such drastic proportions that a deep recession—if not a depression—would result.

An Alternative To Blackmail

We need energy independence to remain free from the terrorist demands of the P.L.O. and the economic extortion of OPEC, and power-seeking radicals like Fonda and Hayden. Clearly, nuclear energy is one good, safe, and clean way to get the noose from around our necks.

We cannot afford to pay out growing billions to diamond-studded sheiks. We certainly cannot afford to guarantee our dependence upon foreigners by killing our nuclear energy potential.

Certainly we need to develop other sources of energy: solar, geothermal, oil shale, and wind among them.

But our ace in the hole is nuclear energy!

The OPEC cartel would like to see us strangled under an impossible energy debt. That will never happen if America is energy independent.

The Fonda-Hayden coalition would like to see America on its knees, so they might realize their own political goals. This will never happen if America achieves energy independence.

Clearly, we are in a struggle and a race. A struggle against those who seek to destroy this great nation. And a race to achieve true energy independence.

What You Can Do

If you want to prevent the P.L.O. and OPEC from commanding a greater role in our future, join us in the fight.

We need YOU. We need the help of Americans who are worried about being cold in the winter, hot in the summer, and backed up for blocks around besieged gas stations.

We must alert people to the threat of the Fonda/Hayden team. We need your help to sponsor TV, radio, and newspaper ads warning the American people of the trap we are approaching. With your help, we stand a good chance of telling the Fondas, the Haydens, OPEC, and the P.L.O. that we've had enough of their rhetoric and blackmail crammed down our throats.

If you want to stop Tom and Jane, and help save America from OPEC and the P.L.O. — and you can — please send us your help today. Fill out and send in the coupon.

YES, I want to stand up and be counted in the fight against Hayden, Fonda, and the forces trying to weaken our country.

- ☐ Enclosed is $_____ to help in the fight. (Please make checks payable to Operation Plain Talk)
- ☐ You may use my/our name.
- ☐ Please send me _____ extra coupons.

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Mail to:
SENATOR PAUL CARPENTER
Operation Plain Talk
P.O. Box 649
Cypress, California 90630

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P.O. BOX 649, CYPRESS, CA 90630

your bill to get out of committee, it would be a good idea to cooperate with Paul."

If persistence is a Carpenter trademark in the Legislature, it is also a trait that helped to get him there. He won an Assembly seat in 1974 after losing in two previous tries and after an unsuccessful bid for Congress. In those campaigns, Carpenter received generous support from Santa Ana physician Louis Cella, subsequently convicted on dozens of counts of fraud, theft and conspiracy for skimming at least $1.7 million from the hospital he controlled and diverting it to political largesse or personal use.

Carpenter failed to report at least $9,000 he received from Cella in 1971 and 1972, but he has maintained that he was not required to do so because he used the money to pay off campaign debts. In any case, Carpenter escaped much of the furor surrounding the Cella investigations because most of the $9,000 came in the form of checks to "Dr. Paul Carpenter." (In one case, a check was made out to Paul Carpenter, M.D.) The checks were drawn on the account of a medical center controlled by Cella.

"Well, as you know, I have a Ph.D.," Carpenter has said when asked why the title "Dr." was used on several of the checks. "I have no recollection of why (the checks from a medical center were made out that way), but I didn't pay much attention to it at the time." Asked why the title "M.D." was used on one occasion, Carpenter said, "Gee, I guess I thought at the time they made an error. I guess whoever made out the check saw the 'Dr.' on others and just assumed that I was a medical doctor instead of a Ph.D."

Carpenter denies that Cella played any part in getting him a job as acting director of the Orange County Health Planning Council, a group in which Cella was active. "I was picked because I was well qualified for the job. I knew Cella because of our common background in the health field, but he wasn't even on the search committee."

Cella and money sources which he controlled gave or loaned Carpenter $11,153 for his 1974 Assembly race, and Amigo Capital, a dummy firm jointly controlled by Cella and state Democratic Chairman Richard O'Neill, gave or loaned him an additional $9,000, according to reports filed by Carpenter. Carpenter dismisses the help Cella gave him in 1974 as insignificant. "I was one of 55 candidates he gave to that year," the senator says.

Despite what most lawmakers concede to be impressive skills, Carpenter had some trouble learning the ropes in both his Assembly and Senate terms. In the Assembly, his effectiveness was hindered by his differences with Speaker Leo McCarthy. He transcended that difficulty in 1976 by getting elected to the Senate, only to be recruited as the chief lieutenant in former Fresno Senator George Zenovich's bid to replace President pro Tempore James Mills of San Diego. He and Zenovich (who was appointed to an appeals court post last year by Governor Brown) persisted in the effort through 1977, and Carpenter helped raise money that was doled out to candidates from whom it was hoped that IOUs could eventually be called in the form of support for Zenovich. The attempt eventually cost Zenovich the chairmanship of the Senate Industrial Relations Committee. Carpenter was punished by being dumped from the Governmental Organization Committee.

During his first year in the Senate, Carpenter also allowed himself to be used in the Teamsters' battle with the Colorado-based Coors Brewing Company. The Teamsters arranged for a microbiologist to "test" the Coors product for the growth of harmful organisms in the beer. (The microbiologist later conceded that the tests were both unscientific and inconclusive.)

Nevertheless, Carpenter, who got more than $120,000 of the $227,639 he spent in his 1976 Senate campaign from unions, introduced a Teamsters-drafted bill to ban in the state all unpasteurized beer in containers of 64 ounces or less. The measure would, in effect, have banned Coors and two minor brands brewed in Northern California.

"We might have been taken in," Carpenter says of his role in the incident. But he denies that the union came to him because of his background as a friend of organized labor. "They came to me," he says, "because they knew of my health concerns."

Moving to the right

On balance, however, Carpenter says he is proud of his legislative record. He managed to patch up his differences with Mills well enough to be awarded the chairmanship of the Senate Education Committee in 1978. Although Carpenter has sponsored several successful measures concerning the rights of mobile home park tenants, he is most proud of the passage of a bill he authorized to provide $2 million a year for preventive dental-health education for elementary school students. Carpenter also is proud of a measure which he initiated (later revised by John Nejedly and passed under his sponsorship) to require supermarkets to make some of their dated but still edible food available for distribution to the needy rather than destroying it.

During Carpenter's first four years in the Legislature, his voting record, as analyzed by the liberal Americans for

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Democratic Action and its conservative counterparts, was relatively liberal, especially for an Orange County lawmaker. But when his conspicuous advocacies of the past year are considered, it appears that Carpenter has side-stepped to the right. "Carpenter knows when to shift," says one former Democratic assemblyman. "His greatest asset is that he knows which way the wind is blowing and knows how to take advantage of it." However, Carpenter denies any opportunism on his part. "I've always been a fiscal conservative but liberal with respect to meeting the needs of people," he says. "I want to get our money's worth. One reason why social programs have a bad name is because there is so damn much waste."

Carpenter is vague about his future political ambitions. He will seek re-election this year and should have an easy time of it. His 37th state Senate District has a Democratic voter registration cushion of more than 40,000, about 10,000 less than the margin by which he swamped his 1976 GOP foe. An Orange County Republican Chairman Lois Lundberg has conceded that it is unlikely that more than a token effort will be mounted against Carpenter.

Next comes the question of 1982, when Carpenter would get a "free ride" if he chose to seek statewide office. He has ruled out a shot at Riles' superintendent of public instruction post. But, assuming Controller Ken Cory and Lieutenant Governor Mike Curb make a run for governor, their posts will be open. And if state Treasurer Jesse Unruh decides that it is time to move up or out, that would provide another open slot for Carpenter to contemplate.

"One definition of infinity," Carpenter says, "is the election after the next one. It is also true that I have a free ride in 1982. It might well be that I might have an interest in some statewide office in 1982. But that's as much as you're going to get out of me now."

Carpenter has proved to be a good fund-raiser, even in off-election years, and he has money left over to help fellow Democrats. During 1978 and the first half of 1979, he loaned or gave more than $28,000 to various Democratic candidates, $16,000 of it to losers in last spring's special elections. Some of those donations represent markers that he can count on if he tries to move up.

Taking chances

One of those who probably won't be backing him is Cory, whose political roots also lie in Orange County. After Cory beat Carpenter in a bitterly contested primary in 1966, Carpenter backed Stuart Case, Cory's GOP general election foe. Carpenter insists that he did it because he admired Case, not because he had anything against Cory. He claims that he has backed Cory in every race since 1968, but Carpenter concedes that "Ken and I have not been close. I suppose he never forgave me."

Carpenter is fully aware that there are risks involved in his current grandstanding techniques. But he says that he's a gambler, both at the poker table and in politics. And he doesn't always win. For example, Carpenter appears to have risked major losses when there was little to gain by intervening on the side of Howard Berman against McCarthy in the Assembly leadership fight. Moreover, he lost at least $25,000 on his recent bet that he could pack the Los Angeles Coliseum with anti-Iran rally participants willing to pay a $1 admission fee. (The deficit for the event came out of his campaign war chest.) And his Khomeini telegram scheme failed to generate enough in contributions to offset the cost of the accompanying advertising blitz.

But Carpenter shrugs off the losses. "My experience has been that many elected officials are disinclined to take risks of any kind. Sometimes this disinclination is reflected in the poor public opinion in which public officials are held. Sometimes it's important to take risks to do what is right."

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A great gift that entertains as it informs: **The Cartoon History of California Politics,** by Ed Salzman and Ann Leigh Brown, 156 pages, **$5.25.**

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Two more mines of information: **California Government and Politics Annual,** 1979-80, 128 pages, **$3.71;** and **A Guide to California Government,** by the League of Women Voters, 160 pages, **$3.50.**

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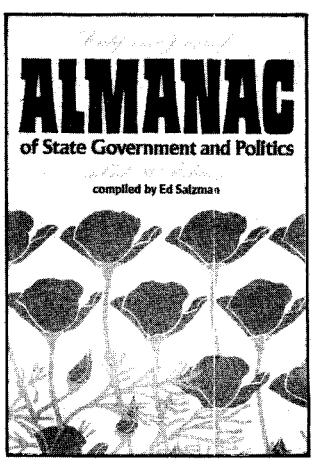

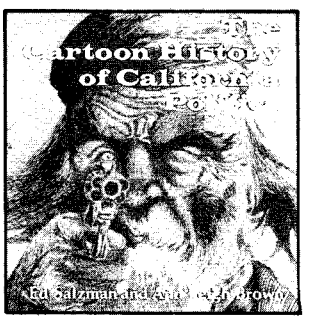

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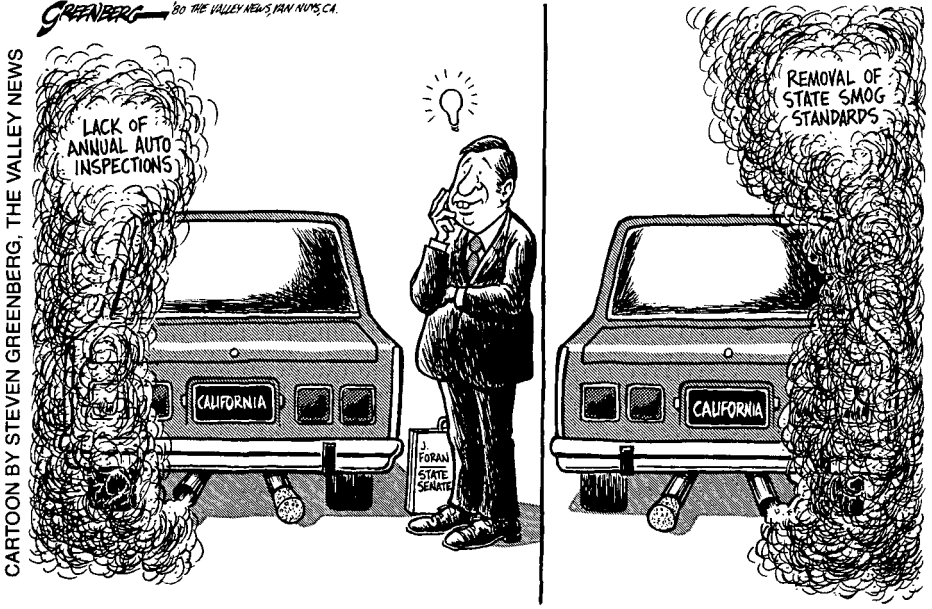
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MIXED MESSAGES FROM WASHINGTON

Is the energy shortage a setback in the smog battle?

By Tom Bourne

What untried options remain for California in its endless fight against smog? As state and local officials enter the fourth decade of their battle, pessimism hangs as thickly as Los Angeles' air on a summer afternoon. In the early '70s, smog officials had a "can-do" feeling; emission controls were resulting in lower smog levels. But four years ago, smog levels started to climb again. Real cause for alarm came in 1978: Consumption of gas in the state broke all existing records, month after month. Then came the September 1979 attack in the South Coast Air Basin, in which Stage II alerts were a daily occurrence for nearly two weeks. That destroyed any optimism that was left.

There are complicated factors involved as the 1980s open:

- The federal government is sending mixed messages to California — pushing for annual vehicle inspections to reduce smog but also encouraging new oil production and alternative power strategies to help with the nation's energy crisis. Clean-air priorities drop in discussions of coal-fired power plants, geothermal drilling and heavy crude-oil processing.
- A controversial smog bill, passed 25 - 10 by the state Senate in January, will confront Assembly members soon with a difficult choice: Should California impose an annual vehicle inspection system and, at the same time, roll back the state's strict emission standards for new cars? Would the result be more smog or less? If the mandatory inspection system is not approved, will the federal government reject all permits for new industrial facilities that would add to air pollution?
- Gasohol — praised as one way to reduce dependence on imported oil — is getting full Carter Administration promotion. But the 90 - 10 percent blend of gasoline and alcohol is actually cutting gas mileage and producing more pollution, according to the state Air Resources Board (ARB). What's more, it requires more fuel to manufacture than it produces, ARB says.
- A flurry of bills — all presumably aimed at saving gasoline — have been introduced in the state Legislature, much to the alarm of Air Resources officials. ARB chief Mary Nichols has warned that several bills, if passed, would cripple her agency and seriously damage the state's unique air pollution control program.

Tom Bourne is a free-lance writer based in Santa Monica.

Foran's tradeoff

Most important of these bills is SB 84 by Senator John Foran of San Francisco. To win Senate approval of the politically unpopular idea of annual auto inspections, he combined it with a rollback of state emission standards to more lenient federal levels. He insists that, if California doesn't set up the inspection plan, the state's economy and employment pictures will suffer. (Last year, the Legislature failed to meet a July 1st deadline for the federally mandated car-check plan. As a result, the Environmental Protection Agency announced last summer it would no longer approve permits for any new plants that would generate more air pollution.)

There are dozens of questions about how an inspection plan should operate (see box). But even more significant is the issue of what inspection-plus-lower emission standards would do to air quality. Opponents of Foran's bill say that rolling back state standards — the highest in the nation — would increase air pollution from cars by 50 percent over the next decade. Annual auto inspections would cut pollution 25 percent at best, they say — meaning that California's air would be dirtier than ever.

The bill's supporters dispute those estimates. They predict a net improvement in air quality and insist that the differences between state and federal standards are slight. New cars will be about $250 cheaper for Californians if manufacturers don't have to meet the state's separate emission-system demands on the assembly line, they say.

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Lining up for inspection

The demon automobile is the number one source of smog in California. About 53 perent of the reactive hydrocarbons, over 50 percent of the oxides of nitrogen and 93 percent of the carbon monoxide (which is dumped into the South Coast Air Basin at the rate of more than 7,500 tons daily) are emitted from cars.

To reduce these emissions signficantly would require annual smog inspections on every car and light truck in urban areas. Such a program is currently operating in the five-county South Coast Air Basin of Los Angeles, but only for used cars undergoing resale.

After a successful experimental program in Riverside, the ARB announced in January 1978 that it would construct a series of stations in the South Coast Air Basin to check used cars being resold for emission levels. A contract was granted to Hamilton Test Systems Incorporated, a subsidiary of United Technologies, which was already operating a similar program in Arizona.

Of the cars processed at a typical station, 55 to 60 percent fail the first time around. The motorist is then given a computerized printout of the probable causes of failure, and has the option of doing the work himself or taking the car to a specially designated garage. The maximum cost is supposed to be $50 for labor, $150 for parts.

Ninety percent of the cars pass the re-test at Hamilton. Problems occur primarily with autos that have 80,000 - 100,000 miles, which are hard to get adjusted. If a car fails a second time, the driver takes it to a state-certified mechanic for a waiver of further fees.

The public is getting used to the testing procedure, according to Hamilton officials. An informal survey of the cars waiting in line at a Culver City station showed, nevertheless, that there is still substantial resentment over the amount of time lost. As one motorist put it: "If I didn't have the day off, I wouldn't be able to be here." Others said they favored abolition of the program.

If the program were adopted statewide for every car annually, Hamilton estimates that it would create at least 1,000 new jobs in the South Coast Air Basin alone, where 50 to 75 more stations would be needed; 11 are operating now.

Statistics from Hamilton suggest that most motorists allow their cars to deteriorate. Of the cars that fail the emissions test, more than 50 percent are out of tune; most of the others have malfunctions in the smog-device system. Only 2 percent are failing because of faulty catalytic converters.

The ARB supports annual testing, claiming that smog levels could be reduced 10 percent or more through such a program. "That may not sound like much," says the ARB's Tom Austin, "but when you consider that this much reduction is possible through one program alone, that is really outstanding."

Test advocates say that motorists would receive important side benefits from such a check: A 50 percent increase in fuel economy is possible, they claim. This would save money and reduce the amount of fuel consumed in the state, where cars drink $30 million or more of gasoline every day.

Part of the controversy will be over who does the inspections. The ARB favors centralized, controlled facilities; the Southern California Service Stations Council wants a decentralized program using neighborhood stations.

The ARB says that highly automated testing facilities, sophisticated emissions controls and a high volume of business would make a centralized setup more efficient. Also, the ARB says that under the decentralized approach, conflicts of interest are inevitable: It is the mechanic who tells the motorist what is wrong with the car — and the same mechanic who fixes it.

Proponents of decentralized inspections insist that service stations will install the necessary sophisticated equipment if they know the business is there. Decentralization does offer advantages, especially flexibility. Gas stations could be required to be open 80 hours per week, six days per week, with at least 60 hours of mechanic service available in order to be certified. That would eliminate a lot of inconvenience for the motorist and would save the state the cost of constructing inspection stations statewide. The "private enterprise" approach would be self-funding, station owners say.

The job of conducting annual inspections for 12 million cars is a major one. Whoever carries off the prize — the service stations, Hamilton Testing, or some other contractor — stands to gain millions of dollars worth of business. This is one of the reasons why analysts such as Bob Lucas, consultant to the Assembly Transportation Committee, are keeping an open mind until the legislative analyst's study is released in April. "Whatever the program is," comments Lucas, "we don't want to pass a piece of crap." — *T. B.*

Foran has criticized legislators who are willing to risk what he calls "a shootout at high noon with the federal government" over the vehicle-testing program. "Congress is not going to repeal the law," he insists. "If we don't comply, those sanctions are going to continue and those sanctions are going to be horrendous to the economy of the state."

Foran's opponents say his compromise wouldn't satisfy EPA anyway, because rolling back the state standards would invalidate the rest of the long-range air quality plan. In addition, they say, some strengths in the California law are not apparent from tables of comparative emissions standards. One example: Federal requirements for light trucks are far more lenient than California standards. And 12 percent of the state's vehicles are vans or pickups.

Angry motorists

The Assembly debate on the Foran bill, destined to be long and heated, is still weeks away. In mid-April, the legislative analyst's office will produce a report on inspection pros and cons, at which point voters will start paying attention to the costs and hassles of statewide, mandatory, annual vehicle inspection. Assembly members facing re-election fights this year are likely to worry about all those angry motorists when the inspection bill comes before them.

In spite of such a climate, Don L. Nelson of the Lung Association is confident: "I say unequivocally that a smog inspection bill will pass before the end of 1980." The ARB is only slightly less confident, predicting that chances are better than 50 - 50 for passage.

The reluctance of legislators to approve such a program is understandable. The motorist has traditionally regarded his car as a kind of inviolable private sanctuary that no one else — least of all the state government — should ever be allowed to get its hands on. In the South Coast Air Basin, between the peak driving hours of 6 and 9 a.m., 85 percent of the cars still have only one person in them. That should be evidence enough of the motorists' stubborn resistance to change.

This, then, is the Catch-22 of smog control. Pass an annual inspection program and irritate the motoring public; do not pass it, and the EPA imposes further sanctions, perhaps blocking federal funds for sewers or highways. The lawmakers are bound to make somebody unhappy in 1980.

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Convention fight ahead over GOP winner-take-all rule?

By James R. Carroll

ILLUSTRATION BY GRACE MATEU

California has been long known for the trails it blazes through uncharted political territory, and yet in the case of the state's Republican Party and its presidential primary, some old ways are dying hard and very noisily.

Since early last year, the California GOP has been embroiled in an internal furor over whether to abolish the party's winner-take-all system of selecting delegates to the Republican National Convention.

Month after month, the two sides in the battle over the primary have been clubbing each other, almost to the neglect of their common enemy, the Democrats. Prodded by legislative maneuverings, straw polls, endorsements, a convention fight, a ballot-initiative effort and now lawsuits, the internecine warfare has escalated to the point that no one in the California Republican Party knows whether there will be a certified primary winner when the voting is over June 3rd.

The fray has thrown a wrench into the state campaigns of the various Republican presidential candidates, whose strategists — with the prominent exception of former Governor Ronald Reagan — have put things on hold to see what develops.

The stakes in the fight are big. Under the present system which has been in effect since 1912, the presidential candidate with the most votes in the state's primary takes the entire California delegation to the convention. The state now has a bloc of 168 votes, the largest number of any delegation and 17 percent of the total required for nomination. Those votes could be crucial in determining the nominee if the earlier primaries this spring fail to pick a winner.

The Reagan key

The Democrats abolished their winner-take-all system in California for the 1976 primary, and Democrats in the other primary states have done likewise. The GOP has also decided to scrap winner-take-all primaries elsewhere, going instead to a proportional delegate selection system or to some form of winner-take-all by congressional district. That has happened everywhere but in California.

James R. Carroll is Sacramento bureau chief for the Orange County Register.

The reason California has not yet changed is Reagan. His campaign is counting on the California bloc to help him win the nomination. The former governor, making his third and presumably last try for the White House, is not about to give up delegates who most certainly would be his if the California polls are right.

Leading the assault on the winner-take-all rules is Orange County state Senator John Schmitz, once a candidate for president on the American Independent Party ticket and now an ardent supporter of former Texas Governor John Connally. Schmitz wants a proportional primary, which means each presidential candidate would get a share of the state delegation based on the percentage of the vote he receives. That means if Reagan got 50 percent of the vote, he would get 50 percent of the delegates. If former ambassador George Bush got 40 percent, he would get 40 percent of the delegates.

Reagan supporters like Senate Minority Leader William Campbell of Hacienda Heights find the Schmitz plan about as appealing as being reapportioned into a district with 90 percent Democratic registration. Campbell calls efforts to end the current primary rules "a ploy to dilute the strength of Reagan at the national convention."

Schmitz insists his proposal is not anti-Reagan. It is aimed at opening up the primary campaign to all the GOP candidates who otherwise might concede the state to Reagan, he says. "The issue is one of fairness." In a touch of characteristic humor, Schmitz named the organization that is boosting the new primary plan the Fair Presidential Primary Committee (the initials are the same as the state Fair Political Practices Commission).

Allied with Schmitz are Congressman Paul (Pete) McCloskey (also a one-time presidential candidate), former Congressman Charles Wiggins, David Eisenhower (grandson of the late president), the Fluor Corporation of Irvine, and financiers David Packard and Leonard Firestone.

Ford's support

Perhaps the most interesting name on the list of opponents of the winner-take-all system is that of former President Gerald Ford. Although he has kept a low profile on the debate over the primary, he helped round up support for the

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Schmitz plan and is helping to write the argument in favor of the proposal if it should make the June ballot.

While few on either side of the issue suggest Ford's involvement is tied to the possibility that he might run for president in 1980, his presence in the controversy does little to dispel that impression. In recent weeks, Ford has sounded more and more like a man reassessing retirement, even going to the point of telling the *Los Angeles Times* that under certain conditions, he would be "available" this year.

Reagan beat Ford in their last California-delegate showdown in 1976 but the tough contest here forced Reagan to make only token efforts in primaries on the same day held in other states. "We don't want Reagan to take California for granted this year," Schmitz says. "We want a full-scale Republican primary campaign with all the candidates."

So far, Reagan has hardly been able to keep his eyes off California because of Schmitz. The senator first proposed the proportional primary system in legislation he introduced last April. But Campbell and other Reagan supporters in the Senate have successfully held the bill (SB 1135) in the Senate GOP caucus. Under an agreement between the parties, Democrats do not meddle in Republican matters without majority votes from the party caucuses, and vice versa.

Schmitz did attempt to gain an endorsement for his bill from the GOP state central committee at its San Diego convention last fall, but again Reagan forces prevailed, voting the measure down by a 3-1 margin.

The convention results contradicted what appeared to be the sentiments of the GOP rank-and-file. Polls by the party and independent polls show that more than 60 percent of those asked favored ending winner-take-all. "The man in the street is going one way," concedes Republican Party state chairman Truman Campbell, a backer of the winner-take-all primary, "and the central committee went the other."

Undaunted by those setbacks, Schmitz and McCloskey and their committee launched a drive to put their plan on the June ballot. They got off to a late start with little money, but with help from the Fluor Corporation, Packard and Firestone, along with a gallant signature-gathering effort on the day of the Rose Bowl game, the petitions just barely made the deadline for filing.

A signature shortage

The story does not end there, however, because a random sampling of the petitions in January showed the ballot proposal was shy of the required number of valid voter signatures. A complete count of the signatures threatened to delay the Schmitz plan beyond the deadline for getting on the June ballot, so his committee turned to the courts.

So far, opponents of winner-take-all have been winning the legal rounds. On February 5th, Los Angeles Superior Court Judge Jerry Pacht issued a temporary restraining order against Secretary of State March Fong Eu, barring her from certifying a winner in the June primary under winner-take-all rules. Then two days later, Pacht ordered Eu to reserve a spot on the ballot for the Schmitz proposal, pending the results of the signature count. As of this writing, the count was still underway, and Eu's office was contemplating appeals of the Pacht rulings.

Should Schmitz fail to have 346,117 valid signatures to put his measure on the June ballot, the disposition of the primary issue will go one of two ways. First, the Legislature could decide before June 3rd to change the winner-take-all rules to a proportional primary system. Schmitz has introduced a new bill to facilitate that, but Campbell still adamantly opposes any primary rule changes and says he will not let such a proposal out of the Senate GOP caucus.

Second, and the increasingly more likely scenario, the whole controversy could end up in the lap of the national convention when it meets in Detroit in mid-July. A full-fledged credentials melee in front of a national television audience is not exactly the kind of event that would benefit Reagan. He would undoubtedly be charged by his opponents with trying a power grab in California. And Reagan's claims to the contrary might not find sympathy among the delegates from all the other primary states who will be at the convention as the result of proportional selection systems.

Reagan's best hope is to have enough delegates to win the nomination without California — a difficult task given Bush's showings in Iowa and the East and Connally's strength in the South.

Other scenarios

There could be still other implications in a credentials fight. If Reagan really needs California to win, the fight over which California delegation to seat would be a test of Reagan's overall delegate strength at the convention. Losing the California delegate issue could give way to erosion of Reagan support in other delegations.

If the labyrinthine challenges to the winner-take-all rules fail and the primary results are somehow not an issue at the convention, there is yet another possibility that has some Reagan supporters secretly worried. Reagan is banking on a win in California and taking all the delegates. It would be ironic if his political fortunes dragged him into a second-place finish in California and winner-take-all deprived him of any delegates.

Schmitz, however, is convinced he will be carrying his fight to the floor of the national convention. That possibility has some Sacramento political observers chuckling, as they recall Assemblyman Willie Brown of San Francisco standing before the 1972 Democratic National Convention in a similar delegate battle.

"Can't you just see it?" laughed one Capitol wag. "John Schmitz standing before the Republicans demanding: 'Give me back my delegation!' "

ROSTRUM

The utility rulebook

I was so impressed with Hal Evry's contribution to your February issue on "How to Win Campaigns in the '80s" that I'd like to do one of my own. I work for a public utility, so maybe I could write about "How to Get a Powerplant Licensed — Quick and Dirty." I could include some self-serving thoughts along Evry's lines:

1. Don't announce your plans to construct a new powerplant until the last minute; then surprise everyone!
2. Run roughshod over concerns of environmental quality. Who's to know?
3. Question not the wisdom of utility generation planners.
4. Put out of your mind early any silly considerations of conservation or load-management potential, powerplant alternatives, economic and social costs, etc.

I'd like to follow up with suggestions for utility executives. Something like: "If you get too 'public spirited' during the siting process, you're in trouble:

- If the public wants to know your plans, and you respond.
- If you're asked to attend a meeting of concerned citizens — and you do.
- If you consider the needs of low-income groups in your program planning (you are wasting time)."

In a word, my point will be the same as Evry's: If winning (approval for your new powerplant) is important — and it should be — leave it to the professionals.

J. R. FORCIER
El Cerrito

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Significant Court Actions

Quartet for quotas

In a 4-3 decision, the state Supreme Court ruled in a Sacramento County case that a government agency may adopt a race-conscious affirmative-action program to atone for past discriminatory hiring practices. In *Price v. Civil Service Commission*, the court upheld the legality of a commission order requiring the district attorney to hire at least one minority person for every two non-minority persons.

The majority opinion, written by Justice Mathew O. Tobriner, said the Sacramento order does not violate any laws against discrimination in hiring. "Such remedial affirmative-action measures promote, rather than thwart, the attainment of the ultimate constitutional and legislative objective: a society in which equal employment opportunity is a reality rather than an elusive dream," wrote Tobriner. He was joined by Chief Justice Rose Elizabeth Bird and Justices Wiley Manuel and Frank C. Newman.

In dissent, Justice Stanley Mosk referred to the action of the court in the landmark *Bakke* case, which rejected a quota system and emphasized that there is no federal Supreme Court case upholding racial quotas in public employment. He attacked the majority opinion as "wholly unsupported by precedent and worse, it is regressive in concept." Mosk, joined by Justices Frank Richardson and William P. Clark, warned that quotas could lead to a situation in which "racism, racial spoils systems, racial competition and racial odium will be fixtures of government."

In other actions, the Supreme Court agreed to hear an appeal from a Court of Appeal ruling that the $207 million retroactive pay increase granted state workers last year was unconstitutional. The court also announced that it has adopted a new procedure of giving five to 10 days advance notice of decisions it intends to issue.

Woe for the FEPC

The Association of California Life Insurance Companies has emerged as the clear winner in its long legal battle with the state Fair Employment Practices Commission. (See *CJ*, January and March 1979.) The District Court of Appeal handed down the final ruling in the conflict that started four years ago when a feminist organization, Women Organized for Employment (WOE), charged widespread discrimination in the employment of women and minorities by the insurance industry. Subsequently, WOE and the FEPC joined forces in an investigation of insurance firms, and the association challenged the legality of the probe.

The appeals court ruled that the case became moot last year when the Legislature enacted FEPC law changes, ending the investigation. However, the justices made it clear how they felt about the WOE-FEPC alliance: "The nature of the relationship clearly exceeded collaboration with an interested citizen group . . . This court does not condone the FEPC activities . . . which included such dubious practices as failure to give notice, disclosures of confidential information, excessive participation by members of WOE, and potential conflicts of interest . . ."

Newsmakers

Thomas

A man and a bridge

Vincent Thomas, who served in the Assembly for a record 38 years (1941-1978), died at 72 in San Pedro. Thomas, who at one time served as Democratic leader in the Assembly, was best known for sponsorship of a toll bridge connecting Terminal Island and San Pedro — the Vincent Thomas Bridge . . . Congressman **John Rousselot** announced that he could not raise sufficient funds to conduct an effective campaign for the U.S. Senate and said he would seek reelection . . . Assemblyman **Victor Calvo,** a Santa Clara County Democrat, announced that he would not seek reelection . . . The County Supervisors Association selected **Denny Valentine,** a Sacramento lobbyist, as the organization's executive director.

Appointments by Governor Brown: **Jill B. Dunlap** of Sacramento and **Falih Aljibury** of Fresno, to the Water Resources Control Board; **Norman B. Livermore Jr.,** Reagan Administration resources secretary, to the Fish and Game Commission; **Judith Preminger** of Los Angeles, to the Commission on Judicial Performance; Former Lieutenant Governor **Mervyn Dymally,** to the Postsecondary Education Commission; **Norman Cousins,** former editor of *Saturday Review,* to the Cancer Advisory Council; **Pauline Davis Hanson** of Selma, to the Appellate Court in Fresno.

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Another crisis ahead for the Coastal Commission?

By Drew Liebert

Has the California Coastal Commission become a bureaucratic monster eating away at the property rights of helpless landowners? Or is it an effective protector of the state's most precious natural resource? Those were key questions before the Legislature last year, and the commission survived after giving some ground. Much more anti-commission legislation is before the Legislature this year, including a proposal to virtually abandon state control of shoreline development. The best guess is that the commission will survive again in 1980, proclaimed by President Carter the "Year of the Coast." But 1981 may be an entirely different story.

In mid-1981 cities and counties are supposed to complete plans for local control of coastal-zone development, and regional commissions are supposed to go out of existence. But what will happen if local government does not present the state commission with proposals that are acceptable? In that event, the entire program to restrict shoreline development will be returned to the legislative cauldron.

The most effective defensive weapon employed by the commission in 1979 was a willingness to accept moderate reforms in the Coastal Act of 1976. Explains Executive Director Michael L. Fischer: "The fact that the commission itself proposed a legislative program designed to eliminate unnecessary over-regulation vented a lot of the steam out of the movement within the Legislature to significantly weaken the act."

Why so much pressure on the commission? The answer of Commissioner Mary Henderson: "Any time you give an authority to limit what people may do with their land, there is going to be some human outcry, and the state Legislature is the obvious place where that outcry will be heard." Joseph Mastroianni, who heads an organization sharply critical of the commission and the four-year-old act, put it more bluntly: "Extortion is extortion no matter how noble the intent of the extortionist." The commission's problems included growing public impatience with government regulation, concern over the commission's jurisdiction, and especially several commission actions — and near-actions — that received considerable notoriety.

The Malibu disaster

A howl went up two years ago in the wake of the Malibu Beach fire, which claimed two lives and destroyed more than 100 homes. Melvin B. Lane, commission chairman at the time, explains how the controversy developed: "After the fire, it was natural for the commission to assume that when the affected residents presented plans to rebuild on their lots, the applicants would have to conform to 1978 coastal laws — just as they would obviously have to meet 1978 and not 1940's building standards. But this assumption — although later rejected by the commission itself as unreasonable — created a lot of bad feelings and bad press in Southern California." (One coastal provision requires property owners to donate a small portion of their land to the public if

necessary to provide public access to the coast.) Legislators were bombarded with letters expressing support for the burned-out homeowners. Even Governor Brown, a commission supporter, described the original commission position as "a high watermark of bureaucratic excess."

Mastroianni, president of the Santa Barbara-based California Coastal Council, uses the Malibu near-miss as one of his prime selling points in arguing for a weaker commission. "We think this was nothing less than government extortion," he declares.

The commission also has come under attack because it requires that individuals obtain permits for construction of single-family homes within the coastal zone. (The commission counters with the fact that more than 90 percent of all development applications are approved.) The Coastal Council cites the example of William Bealy of Mendocino County, who was forced to wait almost five years for a permit while his application was being processed.

The Coastal Act also requires that "housing opportunities for persons of low and moderate incomes shall be protected, encouraged, and, where feasible, provided." The commission boasts that this section has provided more than 600 units to families of less-than-affluent means. But local government is opposed to this provision, and the League of California Cities supported legislation that would have eliminated the entire housing element from the law. The commission managed to stave off this kind of amputation of its power last year and settled instead for minor surgery

Drew Liebert prepared this article while under assignment to the Journal *from the Coro Foundation fellowship program.*

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through bills authored by Assemblymen Victor Calvo and Henry Mello (AB 643 and AB 462). These bills made the following changes in coastal law:

- The commission was required to set aside regions where home-construction projects can proceed without permits.
- As a result of the Malibu controversy, homes destroyed by natural disaster were exempted from the law.
- Some 10,000 acres, mostly in urban Southern California, were removed from commission jurisdiction.

The turnover deadline

Representatives of such environmental organizations as the Sierra Club and the Planning and Conservation League went along with these bills in the hope that they would relieve the pressure on the commission. Even if they are right, the relief may not last much more than a year because of the mid-1981 deadline for the turnover of coastal-development planning to local government.

The Coastal Act established a goal of returning control over the shoreline area to cities and counties. To effect this shift, the act requires that 15 counties and 52 cities with territory in the zone prepare Local Coastal Programs (LCPs) by July 1st, 1981. The LCP would become planning law in a community upon certification by the Coastal Commission that the program is consistent with the goals of the act. Now, all 67 units of local government from Crescent City to Imperial Beach are in the process of developing LCPs, and a great deal of commission time is devoted to assistance of local agencies in this effort. But there are hurdles that threaten to block compliance with the law, under which the state's six regional commissions would be dissolved next year.

One problem is the possibility that the Legislature may adopt a bill that would change the rules of the game. There have been several proposals to abolish the commissions entirely and return permit power to local government. Commission Executive Director Fischer feels that some local entities are holding back on developing plans because they want to have the legislative dust settle before acting.

Commissioner Henderson cites another disincentive: political problems. "It is inherently very difficult for local officials to respond to the intense local pressures while acting as guardians of a greater-than-local interest." She is suggesting that some local officials would rather have the state take the heat for coastal decisions. Traditionally, the view of local government has been that the state should not intervene in local planning decisions.

If Henderson is right, many local governments will stall in the preparation of LCPs. What happens then? One extreme scenario outlined by the commission's Peter Douglas: "If an LCP has not been completed by the legislative deadline, then one of the options available to the commission would be to impose a moratorium on all developments within that particular jurisdiction's borders until it submits a certifiable LCP."

A more likely result is that a majority of the cities and counties will get their LCPs certified before the deadline, according to Tom Willoughby, chief consultant of the Assembly Resources, Land Use and Energy Committee. "If it turns out that a solid majority of LCPs has not been completed by the middle of next year, there may well be some major new legislative trouble for the Coastal Act by the end of 1981," he adds. "Clearly, the ball is in the commission's court to make sure that as many LCPs as possible get done in the coming months."

Local pressures

Down the road, another question is bound to arise: How diligently are local governments adhering to their own coastal programs? Commissioner Anthony Ramos, a San Francisco Bay Area labor leader, thinks coastal issues will be decided in a "balanced and fair" manner once the regional commissions go out of business. He feels that the state regulatory apparatus must be retained to make sure that local governments follow their own LCP dictates. (Under current law, the state commission will stay alive indefinitely.) Assemblyman Mel Levine of Los Angeles says he is deeply troubled by the expanding role of local government in coastline protection. "After all," he notes, "one of the main reasons the Coastal Act of 1976 came about was exactly because local governments were unable to withstand the political pressures placed on them by special interests."

No one is willing to predict precisely what role the Coastal Commission will play after mid-1981. Fischer envisions a variety of jobs — to monitor local-government decisions, to enforce the act and LCPs, to hear appeals from local decisions and consider LCP amendments, to research coastal problems and provide advice, and to manage the coastal zone.

Whatever the outcome, it appears certain that the commission will remain embattled. As Assemblyman Gary Hart of Santa Barbara points out, "Any time you're dealing with a very sensitive issue, like that of private property rights versus the public right of coastal preservation, there's bound to be heated debate." And it is entirely possible that the debate will intensify — not diminish — after mid-1981, when the development decision-making power is turned over, at least in theory, to local officials.

(For additional background on the Coastal Commission controversy, see *CJ*, May 1979, pages 175 - 176, and July 1979, page 238.)

Frank Mesplé internship fund

The Frank Mesplé Internship Fund was created last October to assist students assigned to the *California Journal* for the observation of state and local government and for the preparation of articles for publication in the *Journal*.

The fund was founded by the *Journal's* board of directors in memory of one of the most popular individuals ever to appear on the Sacramento political scene. Frank Mesplé, who died September 28th, had served as a government professor, legislative advocate, gubernatorial aide and wit-about-town. The purpose of the fund is to carry on Mesplé's deep commitment to the youth of California and to the democratic process.

Recent contributors to the fund, whose support the *Journal* gratefully acknowledges, include:

Jerry B. Norris
Bud Porter
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Kay Moore
Government Department, California State University, Sacramento
Mike Peevey
M. B. Lane
Fred Noteware
Karney Hodge

Additional contributions may be sent to the Frank Mesplé Internship Fund, *California Journal*, 1617 10th Street, Sacramento, California 95814.

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Battle of the godfathers

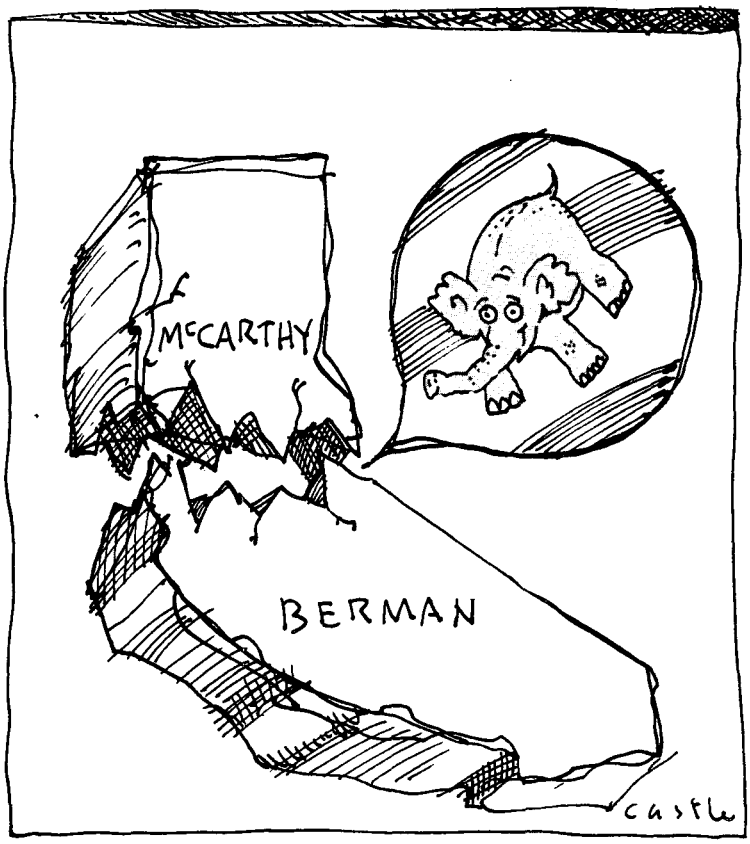
Among legislative insiders, a term from the *Godfather* is being used to describe the current state of the speakership contest between the incumbent, Leo McCarthy, and the challenger, Howard Berman: "They are going to the mattresses." In *Godfather* lingo, that means that the clans are pulling out their heavy artillery to determine which family will survive. In this case, the conflict will take place through the state's primary-election process, with the contenders for the speakership backing rival Democratic candidates in selected Assembly races.

The speakership struggle entered its "mattress" stage in late January when some of Berman's supporters indicated that they were fed up with daily wrangling on the Assembly floor over the leadership post. This virtually guaranteed that McCarthy would retain the title of speaker through the end of the 1980 session, although he will not be nearly so powerful. Most important, his fund-raising capability was damaged severely. And he was forced to abandon his campaign for statewide office to concentrate on Lower House matters.

This set the stage for competition between Berman and McCarthy candidates in quite a few Assembly districts, especially in areas where incumbents are not seeking reelection. In addition, there are a few districts in which incumbents will be challenged in the primary by candidates with the backing of either Berman or McCarthy. If either man is strengthened significantly by the outcome of this year's election, he would presumably be in a position to win the speakership at the start of the next legislative session in December. That assumes that the Democrats retain control of the Assembly.

In December, the rules of the game will be quite different. McCarthy will not begin the session as the incumbent. Any member getting 41 votes will become speaker. (In this session, it takes 41 votes to remove him.) It is entirely possible that neither McCarthy nor Berman will be able to command 41 votes. In that event, Assemblyman Willie Brown of San Francisco will probably make another run for the office. But he is not viewed as a consensus candidate acceptable to both sides, and it is entirely possible that the next speaker will come from backbencher ranks. (Something similar to that happened about 10 years ago when John Miller was chosen as Democratic floor leader as a compromise candidate.)

With the speakership battleground transferred from the Assembly floor to the precincts, lawmakers started paying more attention to the flow of legislation. Among the issues stewing in the cauldron:



• ***Busing.*** Governor Brown vetoed a bill by Senator Alan Robbins of the San Fernando Valley designed to help opponents of compulsory busing of school children. Under current law, the school district must prove that it did not engage in intentional discrimination. The Robbins bill would place the burden of proof on plaintiffs, requiring them to prove that segregation took place. The bill was an attempt by Robbins to implement Proposition 1, enacted by the voters last November. Under that measure, state courts are required to follow federal rules in busing cases. Under robbins' bill, however, federal law would not be used to estab-

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lish burden of proof. Brown based his veto on the claim that the bill conflicts with Proposition 1 and is thus unconstitutional. Robbins called that "phony legalese" and indicated he would try to override the veto. Failing that, he said he would take the issue to the voters via the initiative.

• ***Medi-Cal.*** The Legislature overrode a Brown veto for the fifth time by reinstating a $42 million increase in payments to Medi-Cal providers blue-pencilled from the 1979-80 state budget by the governor. Brown called the override "fiscally irresponsible, showing unparalled greed by such highly paid health-care providers as doctors, dentists, optometrists and pharmacists." Proponents of the override argued that the increases were necessary to allow providers to keep pace with inflation.

• ***Park bonds.*** The Legislature placed a $495 million parkland bond issue on the June ballot despite warnings that it would face defeat because it would be on the same ballot as the Jarvis II tax-cut initiative.

• ***Canal.*** After years of battling, the state Senate approved the highly controversial Peripheral Canal authorization bill, 24-12. The measure, by Senator Ruben Ayala and backed by the Brown Administration, faces an uncertain future in the Assembly.

• ***Beverage containers.*** One of the pet bills of environmentalists, one requiring a deposit on most beverage containers, was defeated 12-24 by the Senate. Senator Omer Rains, sponsor of the bill, predicted that the deposit plan eventually will be adopted for the entire nation.

• ***Laetrile.*** With the backing of Governor Brown, Senator Bill Campbell revived his once-defeated bill to allow the prescription of Laetrile for cancer patients. The medical establishment considers the drug, made from apricot pits, useless. But Campbell said it should be made available for those with no other cure in sight.

• ***Bilingual education.*** The Senate approved a bill by Senator Newton Russell in the highly controversial area of bilingual education. The Russell measure would abolish the state's present program and give school districts a variety of options to teach English to youngsters fluent only in other languages.

• ***Court reform.*** The State Commission on Judicial Performance proposed a series of constitutional amendments that would, among other things, change the procedure under which charges against Supreme Court justices are handled. One proposal would have allowed the recent Supreme Court investigation to be held in public.

Assembly (50D, 30R)	AB 1323 SB 365 AB 763 SB 1244 AB 1168	AB 1955 AB 290 AB 1426 ACA 16 SB 190		AB 1323 SB 365 AB 763 SB 1244 AB 1168	AB 1955 AB 290 AB 1426 ACA 16 SB 190
Agnos (D)	NYYN*	YYYN*	Kelley (R)	YYNY*	YNYYY
Alatorre (D)	N*YNN	*YYNY	Knox (D)	YNYNN	NYYNN
Bane (D)	YYYYY	YNNYY	Lancaster (R)	YYNY*	YNNYY
Bannai (R)	YYNY*	YNNYY	Lehman (D)	YYYYN	NYYYY
Bates (D)	NYYNY	NYYN*	Leonard (R)	YYNYN	YNYYN
Bergeson (R)	Y*NYY	YNNYY	Levine (D)	NNYNY	NYYN*
Berman (D)	NNYNN	NYYNN	Lockyer (D)	**Y*Y	YYYNY
Boatwright (D)	YYNYN	YYNY*	Mangers (D)	NY*YY	Y*YYY
Bosco (D)	*YYYY	YYYYY	McAlister (D)	YYNYY	YNNYY
Brown, D. (R)	YYNY*	YNYY*	McCarthy (D)	*N*NN	YYYNN
Brown, W. (D)	NNYNN	NYNN*	McVittie (D)	NNYYY	NYYYN
Calvo (D)	NYY*Y	YYYNN	Mello (D)	NYNYY	YYYYY
Chacon (D)	Y*YNY	NYNNY	Moore (D)	Y*YN*	NYYNY
Chappie (R)	YYNY*	YNNYY	Moorhead (R)	YYYYY	YYYYY
Cline (R)	YYNY*	YN*YY	Mori (D)	NYY*Y	YYNYY
Costa (D)	N*YYN	NYYY*	Mountjoy (R)	YYNY*	YNNYY
Deddeh (D)	YYNYY	Y*NYY	Naylor (R)	YYYYY	YNYYY
Duffy (R)	N*NYY	YNNY*	Nestande (R)	YYNYN	YYNYY
Egeland (D)	YYYYY	YYYN*	Nolan (R)	YYNYY	YNNYY
Elder (D)	YYYYY	YYYYY	Papan (D)	YYNYN	YYNYY
Ellis (R)	YYNYY	YNNYY	Perino (D)	Y*YYY	YNNY*
Felando (R)	YYNY*	YYYYY	Priolo (R)	NYNYN	NYNYY
Fenton (D)	*YY**	YYYNY	Robinson (D)	YYYY*	YYNYY
Filante (R)	YYNY*	YN*YY	Rogers (R)	YYNY*	YNNYY
Frazee (R)	YYNYY	YNYYY	Roos (D)	Y*YN*	NYYYY
Gage (D)	NNYNY	NYYNN	Rosenthal (D)	NNYNN	N**NN
Goggin (D)	NYYYY	YYYNY	Ryan (R)	NYYY*	YYYYY
Greene (D)	*YYYY	YYNYY	Statham (R)	YYNY*	YNYYY
Hallett (R)	YYNY*	YNNYY	Stirling (R)	YYYY*	YN*YY
Hannigan (D)	NNYNY	NY*NN	Tanner (D)	NNY**	YY*YY
Harris (D)	N*YN*	NYYN*	Thurman (D)	YYNYY	YYYYY
Hart (D)	NYY*Y	YYY*N	Torres (D)	N*YY*	NYYNY
Hayden (R)	YYNYY	YNNYY	Tucker (D)	N*YN*	NYNNN
Hayes (R)	YYNY*	YNYYY	Vasconcellos (D)	NYY*Y	YYYN*
Hughes (D)	NNYN*	NYYNN	Vicencia (D)	NNNYN	NYYNY
Imbrecht (R)	NYYYY	YNYYY	Waters, M. (D)	*N****	****Y
Ingalls (D)	*YYYN	Y*NYY	Waters, N. (D)	YYNYY	YYNYY
Ivers (R)	YYNY*	YNNYY	Wray (D)	Y*YYY	YYYY*
Johnson (R)	YYNY*	YNNYY	Wyman (R)	YYNY*	YNNYY
Kapiloff (D)	NNYNY	NYYNY	Young (D)	YYYYY	YYYYY

Assembly

CRIMINAL JUSTICE

AB 1323 (Nolan) — Allows citizens denied gun permits by police to appeal to the state Office of Administrative Hearings. Passed, 44-29.

SB 365 (Watson) and SB 500 (Robbins) — Prohibits psychiatric examinations of victims of sexual assault. Vote on amendment to prohibit psychiatric examination of witnesses in child-molestation cases. Adopted, 53-14.

EDUCATION

AB 763 (Hart) — Makes student communications with counselors confidential in most cases. Passed, 44-33.

SB 1244 (Robbins) — Requires plaintiffs in school integration cases to prove existence of segregation instead of requiring burden of proof to fall on school district. Passed, 54-18.

ELECTIONS

AB 1168 (McVittie) — Prohibits candidates or elected officials from using surplus campaign funds for personal use. Defeated, 36-15.

AB 1955 (Johnson) — Eliminates governor's authority to fill vacancies on county boards of supervisors. Passed, 57-21.

MISCELLANEOUS

AB 290 (M. Waters) — Makes it illegal for employers to discriminate against employees on a basis of reproductive capacity. Passed, 47-28.

AB 1426 (Young) — Establishes a procedure for adoptees to locate their natural parents and vice versa. Passed, 43-30.

ACA 16 (McAlister) — Proposed constitutional amendment allowing the Legislature to invalidate proposed state-agency regulations. Defeated, 53-25.

SB 190 (Rodda) — Vote on override of Gov-

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VOTING RECORDS

Listed here are the votes of legislators on recent major roll calls through mid-February. Votes selected involve issues of major importance and issues on which there was a major division of opinion, or both.

Y – Yes **N – No**
***— Absent or not voting**

A 2/3 vote is required for urgency measures, constitutional amendments, and appropriations.

Assembly: 41 votes required for passage of bills needing a simple majority. (2/3 = 54 votes)

Senate: 21 votes required for passage of bills needing a simple majority (2/3 = 27 votes)

Senate (23D, 16R)	SB 1009	SB 1232	SB 4	SB 84	SB 200	SB 873	SB 1185	ACA 46	SB 440	SB 1241
Alquist (D)	Y	Y	N	*	Y	Y	N	Y	Y	Y
Ayala (D)	N	N	N	Y	Y	N	Y	Y	*	
Beverly (R)	Y	N	N	Y	Y	N	Y	Y	N	Y
Briggs (R)	N	*	N	N	Y	Y	N	N	N	Y
Campbell (R)	Y	Y	N	N	Y	Y	*	Y	N	Y
Carpenter (D)	Y	Y	Y	*	Y	Y	Y	*	Y	
Craven (R)	*	Y	*	*	*	*	*	*	*	
Cusanovich (R)	Y	Y	N	Y	Y	Y	N	Y	N	Y
Dills (D)	Y	N	N	N	Y	Y	N	*	Y	
Foran (D)	N	Y	Y	Y	N	N	N	N	N	
Garamendi (D)	Y	Y	N	Y	N	N	Y	Y	N	
Garcia, A. (D)	Y	N	N	Y	Y	Y	*	Y	Y	
Garcia, M. (R)	N	Y	Y	N	Y	Y	N	*	Y	
Greene (D)	Y	N	N	Y	Y	Y	*	Y	Y	
Holmdahl (D)	N	Y	N	N	Y	Y	N	Y	Y	
Johnson (R)	N	Y	Y	N	Y	N	Y	N	Y	
Keene (D)	Y	*	Y	N	Y	Y	*	Y	Y	
Maddy (R)	*	Y	N	Y	Y	Y	N	*	Y	
Marks (R)	Y	N	Y	N	*	Y	Y	*	Y	
Mills (D)	Y	N	Y	Y	Y	N	Y	Y	Y	
Montoya (D)	Y	*	N	Y	Y	Y	*	Y	Y	
Nejedly (R)	*	Y	N	Y	N	*	Y	Y	N	
Nielsen (R)	Y	Y	N	Y	N	Y	*	N	*	
Nimmo (R)	N	Y	N	N	N	Y	N	N	N	
Petris (D)	*	N	Y	Y	N	N	Y	Y	Y	
Presley (D)	N	Y	N	Y	Y	N	Y	Y	Y	
Rains (D)	Y	N	Y	Y	Y	N	Y	Y	Y	
Richardson (R)	N	Y	N	N	Y	Y	N	N	*	
Robbins (D)	Y	N	*	Y	*	*	Y	*	*	
Roberti (D)	Y	N	Y	Y	Y	N	Y	Y	Y	
Rodda (D)	N	Y	N	N	N	Y	N	Y	Y	
Russell (R)	N	Y	N	N	Y	Y	N	Y	N	
Schmitz (R)	N	*	N	N	Y	N	*	N	Y	
Sieroty (D)	*	*	Y	N	*	*	N	Y	*	
Speraw (R)	N	Y	N	Y	Y	Y	N	N	N	
Stiern (D)	N	N	N	N	Y	Y	N	N	*	
Vuich (D)	N	Y	N	Y	Y	Y	Y	Y	Y	
Watson (D)	Y	N	*	Y	Y	N	Y	Y	*	
Wilson (D)	*	Y	N	N	Y	*	Y	N	Y	

ernor Brown's veto of $42 million in rate increases for Medi-Cal providers from the 1979-80 state budget. Override approved, 55-12.

Senate

EDUCATION

SB 1009 (Campbell) — Requires that summer-school programs be provided for handicapped students. Defeated, 18-15.

SB 1232 (Russell) — Abolishes the state bilingual-education program and requires that districts offer transitional bilingual programs instead. Passed, 21-13.

ENVIRONMENT

SB 4 (Rains) — Imposes refund requirement on beverage containers. Defeated, 12-24.

SB 84 (Foran) — Initiates annual vehicle emission inspection program for metropolitan areas and reduces state smog standards to federal level. Passed, 25-11.

SB 200 (Ayala) — Authorizes construction of the Peripheral Canal and other water projects. Passed, 24-12.

SB 873 (Holmdahl) — Replaces state smog standards with less-stringent federal standards. Passed, 21-12.

SB 1185 (Garamendi) — Requires nuclear powerplants to install automated alert systems to warn of emergencies. Passed, 37-9.

ACA 46 (Hayes) — Proposed constitutional amendment authorizing the issuance of revenue bonds to finance alternate-energy facilities. Passed, 27-7.

MISCELLANEOUS

SB 440 (Roberti) — Prohibits discrimination against persons with children in the rental of housing units. Defeated, 18-17.

SB 1241 (Carpenter) — Requires that gubernatorial appointments to county boards of supervisors be subject to Senate confirmation. Passed 22-4.

Selected Government Reports

A Program Review of the Department of Consumer Affairs' Division of Investigation and Division of Consumer Services, a report by the Auditor General's office to the Legislature, Jan. 1979. Identifies opportunities for better performance of these two consumer units. 47 pp. Available as Report P-853 from the Joint Legislative Audit Committee, Suite 750, 925 L Street, Sacramento, CA 95814.

California Roster, compiled by March Fong Eu, secretary of state. 1979-80. A directory of California's public officials, with their district addresses and phone numbers. 216 pp. Available from General Services, Publications, P.O. Box 1015, North Highlands, CA 95660. ($3.95)

California Statistical Abstract, 1978, by the Department of Finance. Updates data on employment, population, crime, health, trade, utilities, banking, etc. Available from the Documents Section, General Services Department, P.O. Box 1015, North Highlands, CA 95660. ($8.95 plus tax)

Timber Taxation in the States, by James K. Wead, funded by the U.S. Forest Service, the U.S. Department of Agriculture and the Council of State Governments. Details types of timber taxation and administration in the heaviest timber-producing states, including California. 42 pp. Available from the Council, Iron Works Pike, Lexington, Ky. 40578. ($3.00)

Protecting the Golden Shore: Lessons from the California Coastal Commissions, by Robert G. Healy, John S. Banta, John R. Clark and William J. Duddleston for The Conservation Foundation. 257 pp. Available from the Foundation, 1717 Massachusetts Ave., NW, Washington, D.C. 20036. (1-9 copies $7.50 each; 10-24, $6.75 each; 25 or more, $6 each; plus 10 percent for postage and handling.)

Four Persistent Issues, by Paul W. Gates, Ronald B. Robie, John T. Knox and Norman Y. Mineta for the Institute of Governmental Studies, U.C. Berkeley. Essays on California land policy, water issues, Bay Area regionalism and congressional leadership affecting the state. 79 pp. Available from the Institute, 109 Moses Hall, U.C., Berkeley, CA 94720.

The following publications have been issued by the Council of State Governments and are available from either of the organization's offices, Iron Works Pike, Lexington, KY 40578 or 165 Post St., 5th floor, San Francisco 94108: **State Management of Human Services,** by Robert Curtis and Mark Yessian, under contract with the United States Department of Health, Education and Welfare. Reviews attempts to overcome fragmentation and duplication of services. 66 pp. Available as RM-675 ($6.00). **State Natural Resource Economics,** by Elise Chapman, under contract with the National Science Foundation. 41 pp. Available as RM-676 ($4.00). **State Agricultural Land Issues,** by Leonard U. Wilson, under contract with the National Science Foundation. 75 pp. Available as RM-672 ($4.00). **State Government Organization (A Preliminary Compilation),** under a grant from the National Science Foundation. Looseleaf, updating included in the price. Available as RM-678 ($20.00).

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CHARTING THE LEGISLATURE

The following is a list of significant bills pending before the Legislature in mid-February.

SUBJECT	BILLS	DESCRIPTION	STATUS
AGRICULTURAL LAND	AB 2167 (Kapiloff)	Prohibits the ownership of land by nonresident aliens.	*Assembly Finance, Insurance and Commerce Committee.*
BUSING	SB 1244 (Robbins)	Would require plaintiffs, in school integration litigation, to prove the existence of segregation instead of requiring school district to prove it did not engage in intentional segregation.	*Vetoed by Governor.*
CRIMINAL JUSTICE	AB 2222 (Ivers)	Imposes a mandatory 20-year prison term for persons convicted twice of certain felonies and adjudged to be habitual criminals.	*Assembly Criminal Justice Committee.*
	AB 2161 (Harris)	Provide for jury trials in juvenile-court proceedings.	*Assembly Criminal Justice Committee.*
	AB 2079 (Kapiloff)	Prohibits the release of a victim's address and telephone number by law-enforcement agencies.	*Assembly Criminal Justice Committee.*
	GRP 1 (Governor)	Governor's reorganization plan to create the Youth and Adult Correctional Agency.	*Assembly Criminal Justice Committee.*
EDUCATION	AB 1745 (Bergeson)	Allows school districts to lay off both tenured and non-tenured teachers when there are insufficient funds to pay salaries.	*Senate Education Committee.*
	SB 1232 (Russell)	Abolishes the state bilingual-education program and instead requires school districts having limited English-speaking students to offer transitional bilingual-education programs.	*Assembly Education Committee.*
EMPLOYMENT	AB 2028 (Nolan)	Prohibits local and state employees from striking or engaging in sick-ins, work stoppages, and slowdowns.	*Assembly Public Employees and Retirement Committee.*
	AB 1989, 1990 (Hayes)	Requires that appropriation made by the Legislature for cost-of-living salary increases to state employees be used to increase each employee's salary by the percentage specified in the appropriation.	*AB 1990 is in the Assembly Public Employees and Retirement Committee. AB 1989 is in the Assembly Education Committee.*
	SB 1385 (Greene)	Prohibits discrimination against a job applicant or employee because of his/her inability to work on certain days due to religious beliefs or practices.	*Senate Industrial Relations Committee.*
	AB 290 (M. Waters)	Prohibits discrimination in employment on the basis of a person's reproductive capacity.	*Senate Industrial Relations Committee.*
GASOHOL	SB 1420 (Greene)	Permits sale of gasohol and establishes regulatory standards for product quality and advertising.	*Senate Business and Professions Committee.*
INITIATIVE PROCESS	AB 2180 ACA 58 (Knox)	AB 2180 increases the filing fee for initiative measures from $200 to $1,000. ACA 58 revises the initiative process by requiring that proposals be submitted to the Legislature and reducing the number of signatures needed to qualify the measure for the ballot.	*Assembly Elections and Reapportionment Committee.*
JUDGES	ACA 63 (Nolan)	Constitutional amendment to require nominees for appellate courts to have at least two years of judicial experience and to require Senate confirmation of the Governor's appointments to appellate and superior courts.	*Assembly Judiciary Committee.*
LEGISLATIVE REFORM	HR 25 (Filante)	Prohibits "ghost voting" and "voting changes" by members of the Assembly.	*Assembly Rules Committee.*
	HR 31 (Hallett)	Transfers most legislative powers from the speaker of the Assembly to the Assembly Rules Committee.	*Assembly Rules Committee.*
TAXATION	AB 2001 (Bergeson)	Enacts income tax indexing permanently.	*Assembly Revenue and Taxation Committee.*
	AB 2015 (Wyman) SB 1350 (M. Garcia)	Requires Senate approval of the appointment and removal of the executive officer of the Franchise Tax Board.	*SB 1350 is in the Senate Revenue and Taxation Committee. AB 2015 is in the Assembly Revenue and Taxation Committee.*

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By Leo Rennert

The vanishing dream

On the presidential campaign trail, the idea sounded almost irresistible. Jerry Brown was first to suggest it; Ronald Reagan quickly endorsed it. It was probably their only major point of agreement, and they both went at it with gusto. The United States, while getting clobbered at distant points around the globe, ought to push for closer economic and political ties with its two immediate neighbors. For too long, Washington had treated Canada and Mexico like poor relations. Now was the time to change course and lay the groundwork for a North American Common Market. Canada and Mexico are rich in energy and other basic resources that are vital to the U.S. economy. They also can benefit from technology and capital investments that the U.S. can furnish in exchange.

AT FIRST BLUSH, the idea seemed both grand in design and irrefutable in its historic logic. After many years of exploiting its neighbors, the United States not only had seen the error of its ways but was ready to establish a new web of relations on the basis of full equality and reciprocity. While Brown and Reagan didn't spell it out, their hands-across-the-border vision went beyond mere economics and diplomacy. At bottom, it was a highly appealing suggestion that however beastly far-off countries had suddenly turned, there were at least two nations at our doorstep with whom we could build a new, comfortable alliance. Let the Russians flex their military muscles, let OPEC continue on its petrodollar spree, let the Third World snipe at Uncle Sam, let the Ayatollah do his thing; here at least was a corner of the world where Americans could pursue a new vision. To voters disturbed about the course of global events, here was a psychological lifeline — a much-needed security blanket. While hostile forces were gathering strength, Brown and Reagan were demonstrating a new way to circle the wagons. Paradoxically, it was an idea that called for a new internationalism and yet appealed to isolationist instincts. It was Fortress America with three flags instead of one.

Whatever its merits or appeal on the stump, the proposal apparently fell on deaf ears in Mexico City and Ottawa. In the last few months, Canada and Mexico made it unmistakably clear they can be just as greedy and arrogant as OPEC when it comes to selling commodities which the United States badly needs. Canada's friendly and courageous act in rescuing six American diplomats from Tehran may tend to obscure its not-so-friendly pricing policies on natural gas. But California and other U.S. consumers are about to feel the pinch. In fact, in natural-gas sales alone, Canada has imposed in just the last 12 months the equivalent of a $1 billion tax on California. And that's only for a starter. At this point, Canada and Mexico appear in no mood for a bright new economic partnership with Washington. Just the opposite. Each is trying to outdo the other in seeing who can exact the greater pound of flesh.

So far, the Carter Administration has grumbled a bit, while turning the other cheek. Politically, Brown and California Senator Alan Cranston bear a good deal of responsibility for unleashing a chain of events which is backfiring on their constituents. Until last year, Washington balked at paying a high price for gas imports from Mexico. Senator Adlai Stevenson of Illinois warned against caving in to unreasonable Mexican demands. James Schlesinger, before he was fired as secretary of energy, refused to conclude a deal that might hurt U.S. consumers. Stevenson and Schlesinger argued that the United States was the only major market for Mexican gas and any transaction ought to be mutually beneficial — not one-sided.

Brown and Cranston pounded on Schlesinger with a vengeance. They charged that he had offended the Mexicans and soured bilateral relations. California's Democratic establishment was in the process of courting Chicano votes and eager for a dramatic sign of rapproachement with Mexico. Besides, California needed the gas and Mexico could use the money to strengthen its economy and stem the tide of illegal immigration. Cranston demanded — and got — Schlesinger's scalp. The Carter White House, under unremitting pressure from Brown, yielded and signed a natural gas import deal. As Mexican gas began to flow to U.S. markets, including California, the initial rate was set at $3.62 per 1,000 cubic feet — far above prices charged by domestic producers.

At this point, Mexican gas represents only a trickle of California's overall supply. But the price push from south of the border quickly emboldened Canada, which is a major California supplier. Less than a year ago, Canadian gas sold for $2.16. It went up to $2.30 last July, $2.70 in August and $3.45 in November. After the Mexicans posted their $3.62 price in January, the Canadians really lowered the boom, leapfrogged the Mexicans and pushed their price to a whopping $4.47. It was no coincidence that the big price jump occurred on the eve of their national elections. It's good domestic politics — in Canada as well as Mexico — to zing it to those Yankee capitalists.

Last summer, Brown had great fun accusing President Carter of botching the initial gas deal with Mexico. Later, after Washington approved the high-price scheme, Brown treated Carter as a Johnny-come-lately. "He's still utterly failed to demonstrate presidential leadership to achieve a common energy market with Mexico and Canada," Brown declared. "He hasn't even grasped the conceptual idea. The sooner a president of the United States can begin the intellectual dialogue toward that objective, the sooner we can bring it to realization."

Those were heady words at the time. After the latest Canadian price boost, the Brown Administration spoke in more somber terms. John Bryson, president of the state Public Utilities Commission, protested in a telegram to Canadian Prime Minister Joe Clark that California's economy and consumers were being victimized. If Canada doesn't "moderate" its gas prices, it may lose a "continued sense of goodwill" in California, he warned. A Bryson aide put it more succintly: "There's not much difference between Canada and members of OPEC."

ON THE INTERNATIONAL CHESSBOARD, Canada appears to be confining its hard line toward the U.S. to economic issues. Politically, it remains a strong ally. Not so Mexico with its Third-World leadership pretenses. Either way, the Brown-Reagan dream of a North American alliance is not finding a positive response north or south of the border. If recent developments are any indication, this may be an idea whose time has come — and passed.

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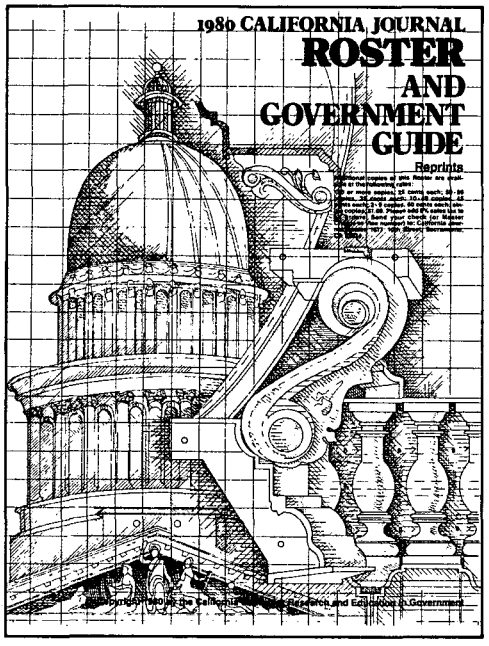

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All government, in its essence, is a conspiracy against the superior man.

H. L. Mencken

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